China to Shut Hong Kong Legislature On Day One

HONG KONG - China said Monday that

HONG KONG — China said Monday that it would abolish Hong Kong's legislative assembly on July 1, 1997, the day it resumes sovereignty over the British colony.

A Chinese government spokesman said the Legislative Conneil and other local government bodies would be disbanded and then "reorganized" under Chinese rule.

"This is an inevitable outcome of China's recovery of its sovereignty over Hong Kong and of Britain's termination of its rule over Hong Kong," said the spokesman for the Hong Kong and Macau Affairs office.

The threat widened a previous pledge to unseat elected members of the Legislative Council after the transition. It was the latest in a series of stracks on the colony's British administration and Governor Chris Patten, whose efforts to broaden democracy in Hong Kong before the handover are seen by Beijing as a threat to its eventual rule. threat to its eventual rule.

1

F E National

The statement, issued by the official Xinhua press agency, was a further blow to hopes in Hong Kong that elected officials would be able to keep their seats through the transition. A Hong Kong government apokesman said the government would have to study the Beijing

"One thing that is certain is that both the British and the Chinese governments have pledged to maintain the stability and prosperity of Hong Kong, "the spokesman said. "The approach outlined in the statement

does not seem to be consistent with this important pledge," he said.

Mr. Patten has been the subject of a prolonged attack by Bening since he announced a
political reform package for Hong Kong 15

China has accused him of breaching the spirit of the Joint Declaration, a 1984 treaty governing the transition of Hong Kong to Chinese rule and the Basic Law, a constitution for Hong Kong after the handover, as well as other bilat-

eral accords on Hong Kong.

After the breakdown of Chinese British talks on Hong Kong earlier this month after 17 rounds, Mr. Patten introduced to the Legislative Council a watered down version of his package to widen democracy ahead of district elections in 1994 and Legislative Council elec-

ons the next year. His unilateral move was condemned as "sabtions the next year. otage" by Beijing. China warned then that the Legislative Council could be abolished because See COLONY, Page 2



LOOKING FOR RELIEF.—A Tokyo broker meeting through binoculars at a quotation board. Most stock exchanges in Asia rose again Monday, and several set records, but the Japanese market showed no signs of breaking out of its four-year decline. Page 9.

A Japan Label Grows Scarce As Electronics Exports Slide

By Andrew Pollack

New York Times Service TOKYO - Japan's production and exports of consumer electronic products are shrinking rapidly, the Electronics Industry Association of Japan says. New figures show the nation is having

difficulty retaining its manufacturing base for the consumer electronics products for which its industry is famous. Even if giants like Sony and Panasonie

continue to lead the world in such products, the "Made in Japan" label is becoming harder to find as manufacturing shifts to countries with lower wages.

Production in Japan of audio and video equipment fell 12.7 percent in 1993, the association estimated. It was the second consecutive double-digit annual decline.

The 1993 output of 3.28 trillion ven (\$29.64 billion) is the lowest since the early 1980s and only two-thirds the level of 1991. And consumer electronics exports, which fell 23.5 percent in the first nine months of the year, are less than half of what they were at their peak in 1985.

In its annual report on the state of Japan's electronics industry, the trade association painted a dismal picture of com-

See CHIPS, Page 12

Kantor Requests Talks on Chips

WASHINGTON - Mickey Kantor, the U.S. special trade representative, called for emergency talks with Japan after a report Monday showed a sharp drop in its purchases of foreign semiconductors. Mr. Kantor said the report that foreign producers had only an 18.1 percent share tif Japan's market in the third quarter had raised "serious concerns" about the U.S.-

Japanese semiconductor accord. The accord called for Japan to buy 20 percent of its semiconductors from foreign companies in 1993. Mr. Kantor spoke after news that the figure for the third quar-ter bad fallen to 18.1 percent, from 19.6 percent io the first quarter and 19.2 percent in the second period.

Ford Throws A Lifeline To Troubled Mazda Motor

U.S. Carmaker Will Get More Say in Managing Its Japanese Associate

By James Sterngold

New York Times Service
TOKYO — With its losses mounting and its basic strategy gone awry, Mazda Motor Corp. made on Monday what would have been an unthinkable announcement for a major Japa-oese automaker just a few years ago: It said that it was ceding more control to its largest share-holder, the Ford Motor Co., and that it expected to rely on Ford to help shape its future.
Ford has owned nearly 25 percent of Mazda

for 14 years, and the two have several ventures focusing on production of specific models, like the Ford Probe and Mazda pick-up trucks. But Monday's announcement appears to go far beyond the old arrangement.

The statement was at pains to quash speculation that a merger or major new investment by Ford in Mazda was in the cards. But, antomotive analysts said, it hinted that Mazda was seeking a lifeline rather than an equal partner. Mazda, which expects to suffer a loss of about 32 billion yen (\$289 million) in the business year ending March 31, said that Ford would increase the number of representatives oo its board from four to seven members. Four of the seven members will be based in Japan and will help manage Mazda, a company that was expanding at a headlong pace in the late 1980s while Ford was racking up billions of

dollars in losses. One of the new Ford representatives, none the whom have yet been named, will become one of Mazda's three executive vice presidents. That person will be one of the handful of principal executives running the Japanese automaker and perhaps the most senior fureign executive at a

pernaps the most senior through executive at a major Japanese industrial company.

Although some in Tokyo interpreted the move as "a desperate bid for survival," as too television news program put it, analysts said it fell short of the large cash infusion that some had speculated Ford might make to shore up

Mazda distinguished itself as the pioneer of an unusual rotary engine, but the autos that used the engine never gained broad acceptance and nearly bankrupted the company a decade ago. Today, the only export model that uses the so-called Wankel engine is the powerful RX-7.

Mazda has launched several sporty and streamlined models in recent years, including the once-popular Miata, but demand has weakened around the globe, leaving Mazda burdened with heavy expenses and overcapacity.

"Mazda's strategy has been mistaken recently, and this is a response to that," said Andrew Blair-Smith, the auto analyst in Tokyo for Barclays de Zoete Wedd Securities. "They overinvested in new models when the market was getting weak. Mazda's stock rallied today, but f think the market is still looking for a monetary commitment from Ford."

Mazda's stock rose 14 ven a share, to 398 ven. See MAZDA, Page 10

Bosnia's Collapse Is Jolt to Dream of a Multiethnic Europe

Washington Fast Service
VIENNA — Across Europe and in the United States, scholars and analysts of the unsettled Balkans are watching anxiously these days for signs of a ripple effect from the pending dis-memberment of Bosnia-Herzegovina into sepa-rate ministates ruled by Serbs, Muslims and

. By Dean Baquet

New York Times Service

lax enforcement, American corporations have used foreign subsidiaries to conduct businessopenly with Cuba and Libya, according to

The rules governing U.S. economic sanctions are so loosely drafted that law enforcement officials have had to abandon or back away

from several investigations of American com-panies suspected of doing illegal business

abroad, an examination of some cases shows. The most striking one involves Cargill Inc., one of the world's largest agricultural compa-

Three years ago, a team of government agents opened an investigation into charges that Cargill had brokered ships loaded with

sugar for the Cuban government, appearanly in violation of the so-called Trading With the

In the ensuing months, investigators found

hundreds of messages between Cargill and shippers overseas, evidence that the company's headquarters in Minnetonka, Minnesota, had

Last year, senior Justice Department officials

said in internal memorandims that an indict-

documents and interviews.

Enemies Act

heen involved.

NEW YORK - Scizing on porous laws and

The consequences of European and American dithering about what action to take in Bosnia have touched off a crisis of self-confidence about the ability of European and trans-Atlantic institutions to cope with the post-Cold

War world order. "No real consensus has emerged on the likely results of the West's acceptance of European border changes by force.

ment of Cargill, which could have cost it hun-dreds of millions of dollars in federal subsidies

Now, however; government officials ac-knowledge that Cargill might never be charged, even though its records leave no doubt that its

American executives helped arrange some of

The company took advantage of a loophole in the law that has made it all but impossible to enforce U.S. sanctions against multinational corporations: It traded with Cuba through a

foreign subsidiary beyond the reach of Ameri-

Cargill is one of many American companies that have traded with countries subject to U.S. sanctions by way of foreign subsidiaries — which then send the profits back to American

The practice raises questions about the effec-tiveness of such sanctions, which have become

one of the most visible tools of U.S. foreign

In January 1986, when President Ronald

Reagan ordered sanctions against Libya,

Brown & Root Inc., a Houston-based engineering concern, officially pulled out of Libya's \$20 billion Great Man-Made River project, which was intended to tap water beneath the desert

But in fact, the company merely shifted its work, which trade journals valued at about \$100 million, to its British subsidiary, Brown &

and create an agricultural oasis.

and contracts, was imminent.

the Cuban financine.

tarily to preserve Bosnia, a kind of domino theory is developing that argues that the cost is bound to be more Bosnias down the road.

"The whole concept of a multiethnic Europe has been undermined," said Greece's deputy foreign minister, George Papandreou, during a recent Washington visit. We're tearing apart

what we've built over the last 50 years in Ea-

Sull, after the refusal of the European Com-munity and the United States to intervene mili-There is also a growing concern among Central European nations that the West's inaction will encourage a heavily armed, belligerent Serbia, unfettered by any arms-control agree-

ments, to try to push around its neighbors. The example of a Greater Serbia enlarged by military conquests could inspire other ultranament in Hungary, for example, would like to see former Hungarian lands and ethnic minorities in Slovakia and Romania reincorporated into a

Greater Hungary. Even independent Serbian analysts, like Milos Vasic, a columnist for the opposition Belgrade weekly Vreme, warn that the Balkans See RIPPLE, Page 2

Kiosk

Oslo Protests to Israel

After Peacekeeper Dies OSLO (AP) — Norway protested to the Israeli government after a Norwegian peace-keeper was killed and another wounded on

Mooday while patrolling for the United Na-tions in southern Lebanon. A Norwegian military spokesman said Private Gorm Bjornar Hagen, 21, was killed and Lieutenant Oryvind Berg, 36, was wounded when Israeli soldiers fired tank and mortar rounds into the area where the five-member

Norwegian team was on patrol.

The israeli Army said Israeli soldiers sighted suspicious figures and fired at them, be-

lieving they were Arab guerrillas.

A Norwegian Foreign Ministry spokesman said that the complaint was delivered by telephone and that the Norwegian Embassy in Israel was instructed to follow up with a formal protest.

A former German neo-Nazi says that the far right has global links. Page 6. Middle-class American whites emulate Indian ways in a spiritual quest that some Indians criticize as spiritual robbery. Page 3.

Business/Finance

Vincom has access to capital if it decides to Spain expects its interest rates to fall in 1994 as part of a European decline. Page 11.

Chess Crossword

Weather

Page 5. Page 18.

FLOODING PLAGUES A PARIS ARTERY - Barges on the Seine in Paris, tied up to a query that was under water Sunday as the river kept rising after heavy rains. Tourist boats stopped services and sections of expressway were closed. In eastern France, southeastern Netherlands and low-lying parts of Germany and Belgium, evacuees returned home to clean up from floods. Page 2.

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sulting and machinery company, also walked away from the project when Mr. Reagan, saying See SANCTIONS, Page 13 Panda's Future: More Black Than White

U.S. Companies Bypassing

Laws on Cuba and Libya

Washington Post Service CHENGDU, China — In the coaner of her concrete cage, Qing Qing cradles her tiny panda cub, which is squeaking hungrily. With a gentle nudge from the mother's huge paw, the cub, about the size of a cat, finds a nipple and sucks noisily, then drifts off to sleep.

With luck, this cub may survive, but the outlook for the grant panda, which is native to China, is gloomy. Greed, indifference, bureaucracy, poaching and skyrocketing population Chinese zoos.

survival of the animal that has come to symbolize interastional conservation. Chinese and Western experts say.

"We can't guarantee that the species will not become extinct," said Fan Zhiyong, senior offi-cer at the Giant Panda Protection Office in Beijing.
According to official figures, there are only

about 1,000 pandas left in the mountains of Sichuan, Shaanxi and Gansu provinces. About 100 others are in captivity, most of them in

Pandas have thrived in China for 3 million years. But in the last four decades, as the country's population has more than doubled, to nearly 1.2 billion, their habitat has been destroyed by peasants and loggers, who cut down forests of bamboo, which is the panda's main food, or log other trees, leaving the bamboo, which needs shade and moisture to grow, exposed to the sun.

Pandas have also become a lucrative commodity, with their pelts fetching as much as See PANDA, Page 6

Slovakia Bans Radio Free Europe

BRATISLAVA, Slovakia — The government has banned broadcasts of the American radio station Radio Free Europe as of Jan. 31, the press agency TASR said Monday.
In a statement cited by the official press agency, the Transport, Telecommunications

and Public Works Ministry said the broadcasts violated Slovak law. Radio Free Europe signed a six-year con-tract with Czechoslovakia in 1990 and has three transmitters in Slovakia. The Czech

Republic and Slovakia split into two countries Jan. 1, and the Slovakian ministry said the contract had been signed with a government that no longer existed.

slava said Monday that no other country had tried to ban the station's broadcasts since the Communist regimes in Eastern Europe fell.

Robert Gillette, director of Radio Free Europe, said that a letter from the Slovak

An editor at Radio Free Europe in Brati-

government's telecommunications agency had given no reason for the decision.

C

α it C

By John Kifner New York Times Service

SLIVNITSA, Bulgaria - Almost all the cars parked around the rundown central square here, dominated by a statue of a soldier buddled in a greatcoat from some past Balkan war, carry the white license plates of the former Yugoslavia.

The attraction is just around the corner: a makeshift market of a few stalls, folding tables and car trunks that presents a dizzying spectacle to Serbs hard-hit by international sanctions. There are shoes from Greece, oranges, bananas, fresb eggs, coffee, even glistening tinsel and toys for the Serbian Orthodox Christmas early next month.

"Back home the shops are empty." said Dobrica Petkovic, laid off from a oncebusy factory that produced tractors for export, as he loaded a few bags of detergent, cooking oil and shampoo into the trunk of his car. "You should see Sofia, its like Frankfurt now."

There is little doubt that the people of Yugoslavia resent the embargo, which was imposed for their country's role in backing nationalist Serbs in the war in Bosnia. That Serbs should have to come to shop for such duhious delights as chocolate bars made in Egypt in this miserable little town about 24 kilometers (15 miles) over the border — its forlorn gray buildings crum-bling, its roads rutted and in many cases

The Associated Press

nappers through snowy mountains and cap-

tured them Mouday, a day after they had freed

the last of their young bostages and fled in a belicopter with \$10 million in ransom.

by the Russian government, had been recov-

The police said most or all of the money, paid

The money is still being counted - what

they had on them, plus what they left behind in

the helicopter," a police officer, Yuri Reshet-

nik, said. "I guess it was too much for them to

carry and still run through the mountains."

3 Wounded

On Trains

Near Paris

Agence France-Presse

injured when shots were fired at

suburban trains and coaches were

pelted with stones, railway officials

said Monday.

The stone-throwing began Sunday afternoon on the line between

Paris and Pontoise. Early Sunday

evening, a passenger on a Paris-

bound train on that line had to be

taken to a hospital after being in-

jured when shots were fired at the

A few hours later, hetween

Epinay-sur-Seine and Paris, two

passengers were slightly injured

when stones smashed three coach

The next three scheduled trains

were canceled as railway workers

called the police for protection. Po-

lice officers accompanied the re-

maining trains Sunday night and

British Woman

Bears Twins at

The Age of 59

LONDON - A 59-year-old

British woman has become the

oldest woman on record to

have twins after giving birth to

test-tube babies on Christmas

Day, a British newspaper re-

The woman, who was not

named, was given femility

treatment hy an Italian doctor.

Severino Antinori, and had

her babies by Caesarean sec-tion in a London clinic on Sat-

Dr. Antinori has helped a

succession of women over 50

ported on Monday.

become mothers.

patrolled the tracks.

train, breaking three windows.

windows.

PARIS — Three passengers were

Authorities tracked four kid-

The former Yugoslavia, with its independent political and economic course, was once one of the most advanced states in Eastern Europe. Bulgaria was the most orthodox of Communist countries and one of the poorest, with a handful of terrorists possibly its best-known export.

Business has been bustling here in the three months or so since the market opened, said a woman named Zoya, presiding over a table piled with candy and packages of coffee. Most of the customers

"We buy everything here," said one Serbian woman, clutching a bag of hard can-"In our own country, there is nothing. have nothing to eat."

Some of the purchases are for family use, but much is for resale and will turn up in coming days in the street markets of Serbian cities and towns. A bag of rice or a package of coffee here cost half the price reckoned, like everything else, in German marks — they would fetch in Bel-

"The only trouble," Mr. Petkovic said, "is that now the Bulgarians won't let you bring back gas."

Gasoline is the ultimate prize of the shopping pilgrims. Until such outings were finally halted for safety reasons, entire tour buses used

to come bere, the passengers carrying

empty plastic jugs and other containers.

The buses would return home packed with gasoline and with everyone, in the central European fashion, puffing away on

On Wednesday, a buge gasoline market was closed down in a bail of gunfire, assuring higher gas prices in Belgrade in the days to come. This week the going price for gas in Belgrade was about \$8 a

In a tto-man's-land stretching about 100 yards between the border posts of Gradina on the Yugoslav side and Kalotina on the Bulgarian side, the gasoline market had sprung up in the time-honored fashion. with bribes paid to secure the cooperation customs officials.

Parking in cars and trucks packed with containers of gasoline, they sold the gas to eager Yugoslavs who carted it back across the border for resale, effectively a new pipeline that mitigated the effect of sanc-Lowering their voices, looking over their

shoulders and speaking very much not for attribution, a number of people who regularly visit the border sought to explain why the gas market had been shut down.

The market had been taken over by Bulgarian gangsters who were levying their own "taxes" through extortion, they

Somewhere along the way the head gangster had angered the Bulgarian spe-

cial operations police — according to one version, through the unrelated killing of two officers - so the police swept down 16 Are Shot

On Tourists

By Youssef M. Ibrahim

New York Times Service

be Muslim militants fired on a

tourist bus on Monday, wounding

cight Austrians and eight Egyp tians in one of ancient Cairo's his

toric sites and ending a kull in attacks aimed at crippling Egypt's

The Interior Ministry said that

unidentified men ambushed the

bus, which carried 18 Austrian tourists, hitting it with "two explo-sive devices, one of which landed

inside and the other exploded out-

Two of the tourists were serious-

One witness said that some of the

Egyptian victims were wounded as

they pursued the fleeing attackers.

Others were hit by shrapnel from

The witness said one of the men

raked the bus with gunfire while another threw bombs. The scene of

the attack was in old Cairo, a neighborhood that holds a luge complex of thousand-year-old Coptic churches.

The attack marked a resurgence

of fundamentalist violence this month after a period of relative

In the last two weeks Muslim militants have launched a series of assaults against policemen in southern Egypt that took 18 lives, the highest toll since militants two

years ago turned to violence in their attempt to replace the government of President Hosni Mubarak with a

Muslim theocracy on the Iranian

Although these attacks have

failed to shake the government, they have caused the death of more

than 230 people in the last 21 months and wounded nearly a

The attacks have also led to a

inge security campaign of arrests and roundups of fundamentalists resulting in the detention of at least

8,000 suspects. Some human-rights

organizations have reported that many were tortured to extract con-

fessions, a claim that was denied by

A total of 29 Muslim fundamen-

talists from two major terrorist

groups, the Islamic Group and the

Islamic Jihad, have been hanged

this year after convictions on charges of murder and armed at-

tacks, making 1993 the year in which the largest number of execu-

tions have been carried out for po-

litical crimes this century in Egypt.

tacks have been aimed at police-

men, Egyptian officials and Chris-

Egypt. Attacks on tourists have

been few and far between, but

enough to punish the Egyptian

bringing \$4 billion in revenues, this

year the country expects to total half that number of foreign visitors

With the exception of the Sinai Peninsula bordered by the Red Sea,

many of Egypt's tourist sites are

largely empty, with hundred of ho-

The attack Monday was the first

Militants have also killed a Brit-

foreigners since they launched their campaign against Mr. Mnbarak's government in March 1992.

36 Die in a Plane Crash

In Fog in West Armenia

YEREVAN, Amenia - Thirty-

one passengers and five crew mem-bers died when their plane crashed

in western Armenia near the fron-

tier with Turkey, an Armenian spokesman said Monday.

The plane, from the southern Russian city of Krasnodar, crashed

late Sunday when landing in the

Armenian town of Gyumri, for-

merly known as Leninakan, the spokesman said. He added it was

probably caused by fog on the run-way. The type of plane was not

and much smaller revenues.

year-end festivities.

han Coots, mostry in so

The brunt of the militants' at-

model.

thousand more.

the government.

tourist industry.

side" the vehicle.

hospital said.

the explosions.

CAIRO - Gunmen thought to

In Attack

In Cairo

on the market with guns blazing. Now all that was left of that market was a few piles of empty plastic jugs, a greasy slick on the pavement and a special detail of Serbian police with automatic tifles in the no-man's-land.

Despite the blow to commerce, there are still long traffic jams at the border crossing, though less spectacular than the bottienecks that sometimes stretch a dozen miles or more at the border with Hungary, where the markets are lush.

Tour buses go back and forth between Serbia and Turkey, where customs agents are paid about \$3,500 per bus to let the goods through. "Bulgaria, Romania, Iah! Nothing good to buy!" the entrepreneur said, dismissing the rest of the former

"But no gasoline - that's on the embargo list and we respect it," he added with a faint attempt at solemnity as the men around him howled with laughter.

The subject of gasoline also came up when a car traveling from Belgrade to the Bulgarian border suddenly began to buck, sputter and lurch, indicating that it was running on fuel that had been mixed with

"Damn, I bought this gas from a friend," the driver cursed.

Fighting Rages **Around Sarajevo** Despite a Truce

SARAJEVO, Bosnia-Herzegovina — Six people were killed and 31 were injured as fighting between Muslim-led government forces and rebel Serbs raged in the besieged Romina cavital of Samina and Romina cavital of Samina cavital of Samina and Romina cavital of Samina cavital of Samin Bosnian capital of Sarajevo on Monday despite a Christmas truce,

Bosnian soldiers accompanying wounded comrades to the city's Kosevo hospital said Serbian forces attacked government lines near Vogosca, north of the capital, before dawn and captured two trenches. Government troops were counterattacking strongly, they

The tempo picked up Sunday evening, with UN observers reporting 321 artillery rounds landing on the city between 6 P.M. Sunday and 8 A.M. on Monday. About 70 rounds were returned on Serbian positions during that period.

Serbian-beld Vogosca was a key manufacturing center before Bosnia erupted into war 20 months ago. It sits astride strategic routes running into and around Sarajevo and is believed to be the site of a major Serbian munitions factory.



Bosnian refugees in Zagreb lining up on Monday for a handout of rations of meat in front of an Islamic relief organization.

If convicted, the kidnappers could face the An emergency committee headed by a depu-

developed. The Foreign Ministry sent a negoti-

million from two private banks to pay the ransom, and the former KGB dispatched its

clite Alpha commando troops.

drowning and some by electrocution, while 14 died on Leyte island, relief officials said.

Nine deaths were reported on Bohol island and

in the southern provinces of Agusan del Norte and

Davao del Norte, the civil defense office in Manila

The disaster declaration allowed the release of

emergency funds for relief operations in the affected areas, where the Ministry of Agriculture put

crop losses at 14 million pesos (\$500,000). Esti-mates by local officials were much higher. Rice, corn and fruit plantations were hit the

hardest as continuous rains flooded fields, the

By late Monday, the storm was over open water

heading toward the South China Sea, the weather bureau said. It was downgraded from typhoon status after its winds weakened to 90 kilometers an

Elsewhere, rescuers found two more bodies in a

landslide caused by floods from torrential rains in

Indonesia's West Java, bringing the death toll to 15, the police said. They said they believed most if not all of the victims were gold diggers whose tents

were crushed by tons of mud late Friday.

The central bank hurriedly borrowed \$10

The police said the four gunmen had been

captured two at a time in an eight-hour man-

hunt that began Sunday night after they had

released their bostages in the resort city of

Mineralnye Vody and bad taken off in a mili-

Russians Track Down Kidnappers, and Ransom

Even in a nation beset by organized crime

and lawlessness, Russians had been shocked by the seizure of a dozen teenage boys and girls from Public School No. 25 in Rostov-on-Don,

1,000 kilometers (620 miles) south of Moscow.

President Boris N. Yeltsin's government -

which faces a rising challenge from extreme

nationalists and Communists who are using the

need to fight crime as a rallying cry — responded to the hostage-taking as though it were a major environmental disaster or international

Compiled by Our Staff From Dispatches

declared a disaster in 11 provinces and 10 cities on

Monday after a typhonn swept across the central Philippines, killing at least 47 people.

Sixteen people were missing, and seven vessels,

including ferries, a yacht, a tugboat and a barge, capsized at the height of the storm on Saturday and Sunday, the Coast Guard and the Red Cross

said. Nearly 80,000 others were driven from their

It was the record 32d tropical cyclone to hit the

archipelago of 7,100 islands this year. The typhoon

season normally ends by early November, but

more than 300 people have been killed by a series of storms this month. The highest previous number

of storms known to have hit the country was in

The Philippine News Agency said 13 people

aboard a motorized outrigger were missing after the boat was swamped by high seas as winds, gusting up to 150 kilometers an hour (93 miles an

nour), roared across the country's main vacation

A total of 24 people died on Cebu, mostly from

homes by the storm.

1964, when there were 30.

CEBU, Philippines - President Fidel V. Ramos

Typhoon Kills 47 in Philippines

Ramos Declares Disaster as 80,000 Flee Their Homes

RIPPLE:

Dream Is Jolted

would continue to bleed from the wounds of Bosnia if President Slobodan Milosevic of Serbia is not tourist industry, an important checked by "a credible threat of

fied," Mr. Vasic wrote in an article for the London-based Balkan bulletin War Report. "On they go until faced with matching strength." Many analysts point to the former Yugoslav republic of Macedo-ma as the next most likely Balkan

on foreigners since two Americans, an Italian and a Frenchman were killed by a gumman in a luxury Cairo hotel Oct. 26. on, a Turk and a Swede, and wounded around two dozen other

"Whenever war has broken out in the Balkans in this century, ei-

Serbia's southernmost province, where 90 percent of the population is Albanian, as the most likely fuse to set off the Macedonia powder keg. Albanians from Kosovo are nigrating by the thousands to Macedonia to stir up nationalistic sentiment among the ethnic Albanians, who form 25 percent to 30 percent of Macedonia's popula-

say they believe the first country to suffer from Bosnia's dismemberment will be Croatia. Its president, Franjo Tudjman, has connived against the Muslims in Bosnia's partition even while risking his own country's amputation by the Serb minority, which has seized control of 25 percent of Croatian territory since Croatia declared its independence from Yugoslavia two and a half years ago.

Yet some scholars and analysts argue that it is not necessarily true that as Bosnia goes, so goes Mac-edonia, Croatia or Albania.

Similarly, Duncan M. Perry, director of analytical research at Radio Free Europe in Munich, ques-tions the inevitability of a domino effect from Bosnia's breakup. Europe and the United States,

Mr. Perry said, still have time to "build a fire wall in Macedonia to contain the Yugoslav wars of seces-

Castro Granddaughter Is 'Free to Go'

HAVANA (Reuters) — President Fidel Castro has said that his teenage granddaughter can leave Cuba to join her mother in the United States if she has the consent of the rest of the family, the Reverend Jesse

Jackson said Monday.

Mr. Jackson, who is visiting Havana, said he had raised the issue of Alima Fernández Revuelta's daughter in talks with Mr. Castro on Sunday.

"He said she is free to go," Mr. Jackson said, subject to the consent of other family members.

Mrs. Fernandez, Mr. Castro's daughter, fled to the United States last week from Cuba, disguised by a wig and using a forged Spanish passport, leaving her 16-year-old daughter behind. She said then that her main concern was how long it would be before she could see her daughter, Alina Maria, a dance student at the National School of Arts in Cuba.

Sweden to Decide on Denmark Link

STOCKHOLM (Reuters) — The Swedish government will decide this week whether to go ahead with a 16-kilometer bridge and tunnel link to Denmark, a spokesman for Prime Minister Carl Bildt said Monday. Mr. Bildt's office announced that he would meet with the Danish prime minister, Poul Nyrup Rasmussen, in Copenhagen on Thursday to discuss

The project would realize a century-old dream of linking Sweden and Denmark across the Oresund Strait and be the first fixed link between Scandinavia and the Continent. But a decision to proceed could threaten Mr. Bildr's minority center-right government. The Center Party, which opposes the link on environmental grounds, is a partner in the four-party

Manila to Hunt Cathedral Attackers

DAVAO, Philippines (Renters) — President Fidel V. Ramos, vowing not to allow extremists wreck his peace efforts, ordered a hunt on Monday for attackers who hunled grenades into a Philippine cathedral,

killing six worshipers.

Fight hours after the attack in Davao City, attackers thought to be Christian militants retaliated by firing two grenades at a Muslim on the city's outskirts. One exploded but there were no casualties, the police

More than 130 worshipers among thousands in the crowded cathedral for Sunday's main evening Mass were wounded. In Manila, Mr. Ramos ordered the military to tighten security after the attack, which coincided with a cease-fire and peace talks between his government and Moslem

Hosokawa, Japan Diet's Leader, Owes More Than Most to His Job

TOKYO — The son and nephew of a gambling tycoon are the richest members of the Diet, Japan's parliament, while Prime Minister Morihiro Hosokawa is the departy deepest in debt, according to a parliamentary report issued on Monday.

The report said the average Japanese member of parliament owned assets worth 91.3 million yen (\$830,000) and had leans of

about 36.5 million yen.

about 36.5 million yen.

Mr. Hosokawa's assets were 98 million yen against bank and other losus outstanding worth 930 million yen and attributable to his political campaigns, the report said.

The report said the richest of the 511-member Lower House was

Eitaro Itoyama, a conservative without party affiliation and the nephew of a gambling magnate, Ryoichi Saragawa.

Mr. Itoyama's assets were about 5.05 billion yen. Mr. Sasagawa's son Takashi, also a Lower House member, came in second with 4.09

billion yen in assets.

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Both Sides Break Afghan Cease-Fire

KABUL (Reuters) — Rival Alghan forces of President Burhamuddin Rabbani and Prime Minister Gulbuddin Hekmatyar battled with rockets and mortars on Monday, shattering an agreed truce even before it could

r. Five rockets landed inside Kabul, wounding at least five people, while the two sides exchanged rocket and mortar fire on mountains south of the capital, witnesses said.

There was no immediate information about the cause of the latest fighting, only a day after the Afghan cabinet aunounced a cease-fire between the two sides to be effective from Monday in the eastern districts of Tagab and Serobi.

Bonn Readies Aid for Blood Victims

BONN (AP) - People who received the AIDS causing virus or the disease through transfusions of infected blood will receive emergency aid from Jan. 1, the Health Ministry said Monday.

Carriers of the HIV virus will receive 1,000 marks (\$590) a month.

People who have developed AIDS will get 2,000 marks a month, the ministry said. Family members infected by the patients will be ineligible . The emergency fund was established after a scandal in October when

two blood banks were discovered to have distributed blood untested for

TRAVEL UPDATE

tels begging for clients this holiday season. Normally, luxury hotels are filled for the Christmas holiday and Osaka Airport Fees Anger Airlines

TOKYO (AFP) — Airlines using the new Kansai airport in Osaka Bay in western Japan threatened on Monday to refuse to pay what they claim are exorbitant charges being demanded to use the airport once it opens.

Duncan Pring, the chairman of the Board of Airline Representatives in Japan, grouping 60 foreign and Japanese carriers, said they had expressed deep concern about the high level of charges a the airport, which is nearing completion on a man-made island in the bay after considerable delays and cost overrons.

The proposed landing fee of 1.04 million yen (\$9,400) for a Boeing 747 is 10 percent more than the airport at Narita, outside Tokyo, already the world's most expensive. Mr. Pring said there were "other cases" where airlines refused to pay prohibitive charges.

Even winter is getting worse for Muscovites. About 1,500 people are hurt every day by slipping and falling on the ice-covered streets of the capital, 10 percent more than last year, officials said Monday. The city is seriously short of street cleaners who scrape up the ice with tools and even sides of the covered streets. sidewalks in the city center are covered with slippery ice.

French anthorities extended a ban on walking along Atlantic beaches to a stretch of the Channel coast Monday as explosives continued to wash ashore. About 250 kilometers (150 miles) of beaches in northern Brittany were sealed off after detonators, powerful enough to blow off a hand or foot, were found on the coast. Walkers had already been banned from France's entire Atlantic coast. Spanish authorities also prohibited access to beaches at San Sebastián resort as a precaution. The detonators, used in construction work, have been washing ashore in France since Dec. 17.

They were part of a cargo of 34,000 spilled into the Atlantic by a Cypriot vessel. About 5,000 have been picked up.

A post-Christmas blast of cold sir gripped much of the northeastern and central United States on Monday, piling up snow in the Great Lakes area. Snow and high winds hampered holiday travel, closing roads and making driving dangerous. Arctic air masses froze the Atlantic coast and the central plains, where temperatures fell to seasonal record lows. (AFP) المراجعة وينتهم والمتراكي والمحاصة أتحافه والمارأ والمحاصة

Europe Floods Leave Mighty Mess

AMSTERDAM — Thousands of people in northwest Europe returned home on Monday to pick ruined possessions out of foul water and mud after the worst floods in decades. Rivers swollen by torrential rain over the past

week were reported retreating in the worst-affected areas of southeastern Netherlands, eastern France and low-lying parts of Germany and Belgium. At least seven people were killed across northwest Europe because of heavy rain and flooding

before Christmas. Officials estimated that flood damage in four West German states totaled more than 1 billion Deutsche marks (\$588 million). The Dutch government declared the floods a

national disaster, and charities launched a joint appeal to raise funds for the victims. In Venlo, the largest Dutch city to be badly hit,

evacuees were not expected to be able to return home until Wednesday.

In Paris, where floodwaters were still rising tourist boats stopped services on the Seine because

they could no longer pass under the bridges. Some stretches of riverfront expressways were cut off as water ievels rose 3.65 meters (12 feet). The authorities said that the Seine could rise

Floods receded slowly in the Soissons area of eastern France. Two police officers who were missing from a flood patrol in the Ardennes region last week still had not been found on Monday.

further on Tuesday.

Avalanches posed a risk to skiers after heavy snowfall in the Alps and Pyrenees, the authorities warned Rescue terms said three Italian skiers were killed Monday by an avalanche near Briançon, in southeastern France, and avalanches killed a man at the Aubisque mountain pass in the Pyreness and injured an American skier in the Alpine reson of Les Deux-Alpes over the weekend.

In Germany, water levels on the Rhine continued to fall, leaving behind a sea of mud and piles of waterlogged possessions in Koblenz, Bonn and

In Belgium, water levels no longer threatened to burst dikes, but large areas were still flooded.

source of revenue for the govern-Compared with 1992, when 3 million tourists visited Egypt

'Conquerors are never satis-

flashpoint, noting that at least three of its neighbors — Bulgaria, Greece and Serbia - and possibly Albania as well have "political or territorial designs" on it, as a for-mer U.S. ambassador to Belgrade, George F. Kennan, put it in The New York Review of Books.

Misha Glenny, anthor of The Fall of Yugoslavia" and a specialist on Balkan nationalism, says he be-lieves that "the rape of Bosnia-Herzegovina" virtually assures that Macedonia will splinter next.

ther Bosnia or Macedonia has been the main theater," Mr. Glenny wrote in the International Herald Tribune. Many analysts point to Kosovo,

Some Balkans analysts, however,

the Basic Law. With the termination of British

But they must begin immediately to provide Macedonia with significant economic and diplomatic as-

COLONY: China Sets Date to Disband Legislature vant stipulations of the Basic Law ate with China over Hong Kong to Continued from Page 1

its election would be in breach of

rule, the Chinese spokesman said Monday, all laws concerning the terms of office for the Legislative Council, district boards and municipal councils will be abolished. "As component parts of the political structure of the British Hong Kong authorities, the Legislative Council, district boards and two municipal councils should be dis-

banded on June 30, 1997, and then

reorganized according to the rele-

pic's Congress, Xinhua quoted the In a related development, Chi-

liberate sabotage by the British side" had blocked all hope of a smooth transition, he added.

The Hong Kong government spokesman said that Britain was ready to resume talks with China, and that "the British side has consistently stressed its wish to cooper-

and decisions of the National Peo- achieve a smooth transition."

spokesman as saying. The People's
na's No. 2 official in Hong Kong.
Zhang Junsheng, said China would China had hoped the Legislative examine all Hong Kong laws to Council would continue to operate decide which may stay in force after the takeover in 1997, but "de-

Mr. Zhang who is deputy director of the Xinhua office in Hong Kong, said that to stay in force, Hong Kong's British-designed laws must conform with a Chinese-written constitution for the enclave.

(AFP, Reuters, AP)



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STATESIDE / NEW RITES AND TRADITIONS

Focus of Mammogram Debate Shifts to Costs

· By Gina Kolata

New York Times Service NEW YORK - With the announcement this month that the National Cancer Institute would National Cancer Institute would no longer recinitioned that women in their 48s have regular mammograms, the emotional debate over precautionary screening for breast cancer is shifting from a purely medical question to one of cost.

Should insurance companies should insurance companies continue to pay for the tests in younger women, and should President Bill Clinton's health plan hold last to its proposal to refuse payments for routine mammograms in

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women under 50? Advocates of such screening which can spot minuscule tumors prepared to fight to guarantee in-

Breast Cancer Organizations, said. in this country." But many health economists and health care planners say the tests for women under 50 should not be subsidized. They add that if the controlling medical costs.

Dr. David Eddy, a professor of health policy and management at Duke University in Durham, North Carolina, and a member of the Clinton health care team, said before they can be felt, say they are the mammogram issue was a nighly

manmograms in younger women.

With a nation "so anguished and angry about breast cancer, it's going to be very difficult to remove this tool," Any Langer, executive director of the National Alliance of

The cancer institute said that, although 30 years of studies had proven that mammograms saved lives of women over 50, the studies government cannot hold firm on had failed to prove that early detection saved younger women. The institute said that, rather

> women in their 40s should have or should not have the tests, it would lay out the data and let each woman decide for herself.

> than make a recommendation that

Some groups, such as the Ameri-

surance payments for routine mammograms in younger women.

With a nation "so anguished and emotional argument for coverage that mammograms have not been another than the mammograms have not been and that 5 million women in their mammograms have not been and that 5 million women in their mammograms have not been and that 5 million women in their mammograms have not been and that 5 million women in their mammograms have not been and that 5 million women in their mammograms have not been another than 1990 for a result of the state of t proven to save younger women.

But, they argue, the studies have not conclusively ruled out a potential benefit, so it would not be correct to say that mammograms are uscless for younger women. These groups continue to recommend regular screening mammograms for women in their 40s.

Still, the National Cancer Institute's action gave the question of cost new impetus: If the principal research institute was declining to recommend screening, should in-surers and health maintenance or-

Dr. Larry Kessler, the chief of to the total cost. the applied-research branch at the

mogram cost an average of \$100 and that 5 million women in their 40s had them in 1990, for a total cost of half a billion dollars. Using available data, he said, a

conservative estimate would be that about 94 percent of the tests were normal. But six of every 100 women who had mammograms, or 315,000 women, were called back for an additional mammogram or sonogram to look more closely at

suspicious areas. That, Dr. Kessler said, added at least a further \$31 million in the mammogram hill. Of those who had these additional tests, he said, at least 46,000 had in have biopsies. ganizations continue to pay for it? at a cost of \$2,000 to \$3,000 each. adding \$92 million to \$138 million

Those biopsies detected cancers in about 13,500 women, or 0.27 percent of those in their 40s who had had mammograms.

Insurance companies as a group do not take a posicion on the merits of the test, Richard Coorsh, a spokesman for the Health Insurance Association of America, said. Instead, he said, insurers respond to the market demand or the demand of state legislators," provid-ing coverage when customers ask for it or state law requires it.

Jeanne Casey, editor of the Health Benefits Newsletter, based in Alexandria, Virginia, said 42 of the 50 states required insurance companies to pay for mammograms for women in their 40s.

Those who believe the tests save lives, even if the proof is not at hand, argue passionately that wom-en will die if the examinations are not subsidized. "We're just terrified, frankly, that we will backslide" if the payments cease, Ms. Langer said.

Dr. Sarah Fox, an associate professor of family medicine at the University of California at Los Angeles, said that not paying for the tests would penalize poor women, as the more affluent would still be able to afford them.

But Dr. Ann Flood, a health policy analyst who directs the Center for the Evaluative Clinical Sciences at Dartmonth College in Hanover, New Hampshire, said that now, more than ever, was a time for health policy planners to hold firm. Mammography has not been shown to be beneficial in younger

"We should really begin to say that we want to deal with care and services that are beneficial," Dr. Flood said, "If we cannot show that something is beneficial, we should oot pay for it. We need to make that hard choice in many dif-

women, she asserted,

Reverence? Or Is It Robbery? New Age Movement Emulates Indian Ways

By David Johnston

New York Times Service BOULDER, Colorado - In an ancient rite of American Indians, wisps of smoke rose from burning herbs in prayer in Mother Earth and Father Sky, as the pipe-carrier intoned solemnly, "Creator, we come to you in a sacred manner

the return of the bison and some reverent words offered for "the red nation." All that was missing was an Indian. The 40 or so people gathered in the circle, sitting cross-legged on pillows and futons, were white. They are adher-

There were Indian chants of "Ho," a song about

ents of the growing New Age movement, which emulates Indian ways in a spiritual quest. But many Indian tribes and organizations, far from being flattered by the imitators, have de-

nounced the movement as cultural robbery. "This is the final phase of genocide," said John Lavelle, a Santee Sioux who is the director of the center for Support and Protection of Indian Religions and Indigenous Traditions. "First whites

took the land and all that was physical. Now they're going after what is intangible."

The National Congress of American Indians in December approved a "declaration of war" against those they accuse of exploiting sacred rituals, citing "non-Indian 'wannabes,' hucksters, cultists, commercial profiteers and self-styled New Age

Ancient Indian rites and traditions, like sun dances, vision quests and purification sweat lodges have become staples of self-exploration used by New Age spiritual seekers, mostly in trendy, affluent places like Marin County in California; Santa Fe. New Mexico; Sedona, Arizona, and here in

The pipe smokers here, who gathered on the second-floor of an office building over a pizzeria, are members of the Church of Gaia: Council of the Six Directions, a group named for the Greek earth goddess. The congregation of about 100 people includes teachers, pharmacists and executives.
"We're baby boomers, middle-class whites,"

said Stephen Buhner, a founder of the church, which was incorporated in 1990. He described his church as a blend of mysticism and ecology, a spirituality that "allows you to reestablish your harmony and proper relationship

with the web of life." Mr. Buhner, 41, said he grew up in suburban Dallas as a Methodist, a religion he found "boring and not very much fun at all."

He said he experienced a spiritual revelation in 1969 while attending a concert by the Jefferson Airplane rock group in San Francisco, and began a quest for an "earth-centered" religion that led him to Boulder.

His wife, Trishuwa, who does oot use a last name, leads the pipe ceremony. The couple lives in a solar home on 35 acres (14 hectares) of pine-covered land in the footbills west of Boulder, where they sponsor vision quests and the rites of the sweat lodge.

Mr. Buhner also works as a "spiritual mentor" at \$20 an hour per student.

He said he knew that many Indians consider his church to be a mockery of sacred rituals. In fact, he

said, some Indians have threatened harm to the church, unless it closes. But Mr. Buhner accuses those crioes, whom he described as "Indian fundamentalists," of practicing "reverse racism."
"I don't think that relationship with Creator is

based on skin color," he said. "They can't tell me I can't pray this way just because I'm white." But many indians complain that their religion is being used as a kind of spiritual fashion statement and a hobby for bored, wealthy suburbanites.

"They want to escape into what they consider the exotic traditions of Indian people," said Mr. Lavelle, whose group has offices in San Francisco and on the Pine Ridge Reservation in South Dakota. "This kind of romantic appreciation has always been a problem for Indians. It's the conqueror fantasizing about who he has conquered."

George Tinker, an Osage who is a professor at the Iliff School of Theology in Denver, expressed concern that whites would transform Indian cul-

ture in their own images.
"When you uproot something from one culture and plant it in another culture, it is not the same thing," he said. "The danger is that these muta-tions of spirituality will make their way back into the Indian world."

He said Indian spirituality focused on the larger community, the tribe, and never the individual, while the New Age variation was "centered on the

self, a sort of Western individualism run amok." Not all Indians have been critical of whites who adopt tribal customs. Ed McGaa, the author of "Mother Earth Spirituality" (Harper Collins, 1990), said most of the New Age adherents were sincere, tolerant people who simply wish to find spiritual nourishment.

He said Indians should be willing to share their tradioons. "If we want the white man to change, we must teach him," Mr. McGaa said.

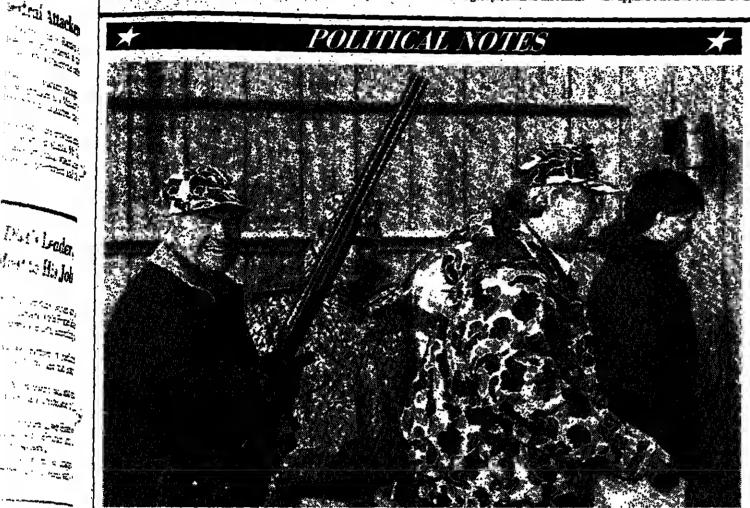
But Mr. McGaa himself has been the object of protests by Indians for disclosing — and some say distorting — sacred Sioux ceremonies in his writ-

The infatuation with Indian traditioo by whites was a widespread fad in the 1960s, when many youths left the suburbs in search of a life in tepees. In the late 1970s and early 1980s, the mystical writings of Carlos Castaneda brought another surge of interest in Indians. And in recent years, the New Age movement and some movies, most notably "Dances With Wolves," have also served to heighten romanticism about Indians.

Since 1960, the number of people who told the Census Bureau they are Indian has tripled, to about 1.8 million. In the last 10 years, the number of people who claim to be Indian in New Jersey. for example, grew by nearly 80 percent.

New Age magazines, like Shaman's Drum, are full of advertisements that capitalize on Indian wares and rimals, selling tepees, custom moccasins and ceremonial pipes.

Followers of the movement are an affluent, wellducated group. The advertising kit for the monthly New Age Journal magazine, for example, which has 180,000 subscribers, says that 50 percent of its readers have attended graduate school and that the average household income is over \$60,000.



2 HUNTERS, 1 DUCK -- Mr. Clinton and Representative Bill Brewster, left, an Oklahoma Democrat, returning from a lumting trip at Taylor's Island, Maryland, Mr. Clinton said they bagged one duck between them. He credited Mr. Brewster with the kill.

Clinton Hunts for a Qun-Control Image

TAYLOR'S ISLAND, Maryland — President Clinton and two congressmen donned camouflage outlits and went dock hunting on Maryland's Eastern Shore on Monday.

Would the outing would affect his gun-control image? "It'll would the outing would affect his gun-control image?"

— that it doesn't have anything to do with hunting."

Asked how the shooting went, Mr. Clinton said: "There was only one there. We only shot at one, and we got one. Mr. Clinton said he and Representative Bill Brewster, an Oklahoma Democrat, both fired at the duck, and he thought that Mr. Brewster had bagged it. (AP)

A Spectator With a Different Slant

NEW YORK - The American Spectator made a publicity splash two years ago with an article called "The Real Anita Hill," in which it questioned the motives and character of Clarence Thomas's accuser. Then it seemed to disappear, only to return with a vengeance last week with an article called "His Cheatin' Heart," which contends that President Bill Clinton used Arkansas state troopers to help him

conduct what it called adulterous affairs while he was governor.

The aggressively conservative journal has enjoyed rapid growth in the last two years; it says its circulation has increased sevenfold since January 1992, to more than 200,000.

"People are turning to us because they are living in a culture polluted with someone else's preferences, tastes and perspectives," said R. Emmett Tyrrell Jr., 50, the editor. "The White House and the major editorial boards are trying to sell a vision of America that does not exist and so people are turning to our magazine to learn what is really some on."

really going on."

Mr. Tyrrell, who founded The Spectator in 1967 while he was a student at Indiana University, traces his magazine's growth to an overhand two years ago. He punched up the copy, blending more topical and hard-hitting articles with its musings on Keynesian economics and the decline of Western civilization. And, he said, "We began running more investigative pieces on people and issues that our readers feel are clanted by the mainstream modia."

But critics contend that the magazine merely apes the conventions of objective reporting to appear fair-minded. "They go on about how they spend months doing dozens of interviews for their stories, but they don't have any of the scrupulousness about facts of serious investigative journalists," said Michael Kinsley, a senior editor at The New Republic and the liberal co-host of CNN's "Crossfire."

near pornographic detail in the Clinton article. "I've never seen this kind of detail in a respectable magazine," said Patrick Buchanan, a former presidential candidate and a conscrvative

syndicated columnist.
"This is the kind of stuff that used to be confined to the supermarket tabloids. It's very huid and lewd, and I think it's degrading to the national debate on issues like NAFTA and health care, which is where

we ought to be putting our energies." Friends Give the President a Big Hand

WASHINGTON - White House officials estimate that during the three weeks from early December through Christmas, the president and the first lady, Hillary Rodham Clinton, shook hands with 100,000 White House visitors. Among them were supporters from around the country, Washington-area children, the White House press and staff

members who were favored at more than a dozen receptions. All got a photo taken during their 11 seconds with the first family. It works out to about 5,000 hands per day. Though Mr. Clinton survived with the help of Secret Service instructions on low-pressure handshakes, the president has been noticeably hoarse and red-eyed as a result of his seasonal allergy to evergreen Christmas wreaths and other holiday cheer.

Quote/Unquote

a new or more ominous warning, he said: "No. We view this as a reiter-

ation of the previously expressed

The secretary-general said he, too, favored continued talks. He said he had encouraged North Ko-

simultaneously, with the United States, the International Atomic

Energy Agency and South Korea.

While Mr. Butros Ghali said that

views."]

spection visits.

the Security Council.

John Lavelle, who works to protect American Indian traditions, referring to the New Age movement in which non-Indians munic Indian culture: This is the final phase of genocide. First whites took the land and all that was physical. Now they're going after what is

Away From Politics

The movelist Toni Morrison said all her manuscripts, from her earliest writings, were lost in a fire that destroyed her country home on the Hudson River in New York State. Ms. Morrison, who was awarded the 1993 Nobel Prize for Literature, and has a Pulitzer Prize, was in her home in Princeton, New Jersey, when the fire began. Fire officials said the blaze destroyed the four-story colonial home.

 Nincteen mentalty retarded hoys who thought they were participating in a science club in the 1940s and 1950s were actually fed radioactive milk by scientists who wanted to learn about the digestive system, The Boston Sunday Globe reported. While one researcher

said that the radiation levels to which the boys were exposed were not harmful, other experts said there was no such thing as a safe level of exposure. The experiment exposed the boys to radiation that was at least the equivalent of 50 chest X-rays, The Globe said.

• A sheriff's deputy in Lake Forest, California, apparently shot and killed a colleague during a training exercise. Sheriff's officials said an Orange County deputy, Darryn Leroy Robbins, was in a group of deputies acting out car stops behind a shopping-mall theater when he was fatally wounded by a bullet from one of their weapons.

UN Chief Urging 'Patience'

Butros Ghali Learns China Won't Press North Koreans

By Steven Mufson dingron Post Service BELING - The United Nations secretary-general, Butros Bu-tros Ghaff, urged "patience" on Monday to resolve the dispute over

North Korea's refusal to allow nuclear inspections. After stops in Korea and China, Mr. Burros Glish said that he be-lieved the crisis could be resolved

through negotiation.
"All of the actors in this crisis continue to regoriate, and I believe that that way we can find a peace-ful solution. Mr. Bouton Ghali said. I find a political will among leaderships to find a peaceful solu-

tion to the crists." His visit to Beging was believed to be part of an effort to get China, North Korea's only ally, to exert is influence on the North Korean leader, Kun II Song. But the UN chief insisted that he had come only to keep the Chinese government

The Chinese appeared to have Mr. Li's statement on sanctions as granted him little on North Korea. The Xinhua press agency said that Prime Minister Li Peng had told the secretary-general that China opposed the use of sanctions against North Korea. As one of five permanent members of the Security Council, China, like the United States, has veto power over resolu-

"The government of China is very clear," Mr. Burros Ghali said. "They don't believe that pressures will help solve the problem, and they believe that more dialogues, refresses and neortiations are needpatience and negotiations are need-

In Washington, a State Department spokeaman said that com-ments by Mr. Li were merely a reiteration of China's position that "economic sanctions wouldn't promote resolution of the North Korean nuclear issue," Renters report-

[Asked if Washington viewed

Malaysia to Allow **College Courses Using English**

KUALA LUMPUR — Prime Minister Mahathir bin Mohamad said Monday that the government would allow technical subjects to be taught in English at colleges and

Malaysia, a former British colony, began phasing out instruction in English in 1971 in a bid to eradicate vestiges of colonialism and build a national language and identity. The process was complete by 1980.

continued "patience" was required, American officials are concerned Mr. Mahathir said his cabinet that the atomic energy agency, a had recently decided to bring back UN body, cannot continue to mon-itor North Korea's nuclear pro-English language instruction, at least at college level, so that Malaysia could remain internationally gram without an agreement on incompetitive. if it decides that safeguards

"We'll use English where necesagainst the development of nuclear sary because we cannot let the effiweapons in North Korea can no ciency and capability of our people longer be maintained, then the be lower than that of people in matter automatically goes before foreign countries," Mr. Mahathir

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operators. And convenient billing options through your credit cards. Not to mention Sprint's limited-edition WorldCup design. " It's a reminder that Sprint is an

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Outdated Nuclear Policy

The Pentagon is slowly coming to terms with the disappearance of the Soviet strategic missale threat. In one adjustment, the United States proposes to loosen the 1972 Anti-Ballistic Missile Treaty to permit a more effective defense against threats from other countries with lesser nuclear arsenals. In another, defense officials are exploring ways to alter the chilling fact that Russia and America continue to maintain Cold War-sized nuclear forces trained on each other.

The ABM Treaty change now contemplated is meant to keep intact the ban on a continental defense against long-range nuclear missiles. Thus it leaves intact the theory of mutual assured destruction on which this treaty rests. The proposed treaty change would permit, however, a better defense of specific American and allied targets against shorterrange missiles. The latter are the weapons that the North Koreas and Iraqs might yet acquire.

The change is directly responsive to the new international environment. But there is a flurry over how to make it. The Clinton administration means not to alter the treaty by amendment, which would require Senate consent Instead, it intends to seek the Russians' approval for a new reading, one permitting theater defense, in the reasonable expectation that Russians share the American fear that nuclear weapons will fall into less responsible hands. The change has stirred the passionate corps of ABM Treaty proponents, who fear that even a modest fix will unravel the whole structure. The change also troubles those in the U.S. Senate who regard the treaty as a benchmark in Congress's struggle with the executive over foreign policy powers.

That the still-huge Russian and American strategic forces remain on a hair trigger is something that cries out for review. The modes idea being considered in the administration is to retarget these forces. Both countries' missileaim points would be shifted to remote, suppos edly people-free places, like oceans. No real deterrence capability would be lost: The old aim points could be restored by computer within the flight time of a long-range missile launched against an American target. But some symbolic comfort might be gamed and the atmosphere improved for further review.

During the Cold War, the United States spent decades acquiring the weapons and developing the strategies to protect its interests.

Cautinn as well as institutional momentum will militate against these being quickly changed. But there is no more important subject than this one and no more important government business than revising U.S. nuclear policy to make it relevant to the new world we live in. -THE WASHINGTON POST.

Room for Pentagon Cuts

The numbers are obvious: If President Bill Clinton hopes in fulfill his promise to reshape spending priorities, he will have to cut existing domestic and defense programs by at least \$50 billion over the next five years. Otherwise, he will not be able to hit Congress's deficitreduction targets and pay for his economic strategy of investing in education, training, research and infrastructure.

Yet the president has made the budget hole \$10 billion deeper by giving the Pentagon money to pay congressionally mandated salary increases over the next five years. The Pentagon wants even more to cover inflation during a five-year period in which it already plans to spend \$1.2 trillion. That averages \$240 billion a year — about five times what Russia spends on defense and nearly as much as the rest of the world combined,

The president is surrendering too quickly. The Pentagon can find \$10 billion for salaries and \$20 billion for inflation in its own budget. If Mr. Clinton does not take on the military, he will jeopardize the core of his domestic agenda.

Unfortunately, Mr. Clinton's decision to fork over the \$10 billion is only the latest in a series of retreats in the battle to cut the Pentagon budget. The president promised to trim military spending by \$88 billion over five years, which seemed a plausible target given the collapse of the Soviet Union. But after a "bottom-up" review. Defense Secretary Les Aspin backed off. Mr. Aspin's original idea was to base the military budget on a strategy

under which the United States would be prepared to fight one Iraq-sized enemy on the ground while holding nff annther foe from the air. Instead, be decided the United States must have its force levels on the assumption that someday it could be confronted with two reginnal wars simultaneously.

But if he has the will, Mr. Clinton can still find his \$88 billinn without even addressing the strategic question. He could, for example, cancel an unneeded new aircraft carrier which alone would save \$5 billion next year — and cut excessive force levels. He could also buy fewer F-22 Steath fighters, originally designed to counter future Russian fighters that in fact will not be built.

Without such trims, Mr. Clinton's domestic agenda will pay the price for Pentagon excess. The president originally proposed spending about \$30 hillion next year on his investment program - mass transit, highways, early education, school-to-work assistance, job training, energy and scientific research. The total was later out in half, to about \$16 billion. And \$2.5 billion will now be siphoned off to cover Pentagon pay hikes.

This year, President Clinton funded only one-third of his important initiatives, such as worker training and early childhood education. If be is to turn the federal budget as well as the economy around, he needs to grab every dollar he can find. The Pentagon is a perfect place to look.

-THE NEW YORK TIMES.

'No' to Chinese Eugenics

China's recent announcement of a new draft law to "avoid new births of inferior quality" explicitly refers to "more than 10 million disabled persons who could have been prevented through better controls." The language seems calculated to outrage Americans already upset over the forced abortions, prematurely induced labor and other cruelties associated with Chi-

na's strict one-child-per-family policy.
But of course it is not. The proposed legislation, which now only needs approval from the usually rubber-stamp National People's Congress, simply expresses, in extreme form, the Chinese Communist government's philosopby on the issue: that population management is essential to China's economic development, and individual liberties must be subordinated to the goals of those in power.

That view reflects Chinese tradition, Leninist arrogance and some overly zealous thinking about legitimate public health concerns. Yet Americans and others outside China should not hesitate to express their horror. Even this late in the Chinese legislative process, constructive criticisms might yet have some influence.

The draft bill is entitled "On Eugenics and Health Protection," and some of the health protection goals are justifiable -for example,

women carrying the benatitis virus from becoming preguant before treat-ment. Bot others are scientifically absurd, like sterilizing those with conditions unlikely to be passed on to their offspring. The compulsory tactics envisioned by the draft are repugnant.

Reports of coercive abortion in the 1980s helped provoke a cutoff of U.S. financial support for Chinese family-planning pro-grams. Regrettably, that cutoff did little to change Beijing's policies. Still, Americans are right to refuse to let themselves be associated with some practices. Coercive abortion is one, and eugenics is clearly another. And perhaps, in today's diplomatic climate, American pro-

tests might have more effect.

The Clinton administration has been trying to get the venom out of the U.S.-China relationship. Beijing has at least been willing to listen to suggestions about what it can do to belp. The administration now needs to spell out to China its concerns about the offensive elements of the draft law and make clear the explosive impact it could have on U.S. public and political opinion. It needs to make clear to China that Americans think its scheme for preventing "inferior" people is wrong.

- THE NEW YORK TIMES

Other Comment

Butros Ghali and the Far East

The United Nations secretary-general's visit to China and Korea serves in launch UN policies that focus nn the longer-term picture. The overall aim is to ease the crisis that surrounds North Korea's nuclear program, to avoid a confrontation in the Far East and to get China involved in responsibility for international security.

Butros Butros Ghali underlined in Pyong-

yang that he had not come as a mediator, since the North Korean government insists on a direct agreement with Washington [on nuclear inspections] and rejects any form of mediation by a third party, even China, which, incidentally, is not pushing for such a role.

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North Korea can continue its war of nerves with Washington, which has lasted more than a year. China does not want to see any more nuclear weapons in its neighborhood, but also refuses to pnt any kind of pressure on North Korea and therefore would block sanctions with a vetn in the UN Security Council.

Mr. Butros Ghali, who explained in Pyongyang the latest American ideas for a compramise for international inspection of the seven nuclear installations of North Korea. is not interested in being seen in Asia as a force of support for America. He must strengthen his authority independently from the major powers in order to be able to function as an "honest broker." - Die Welt (Bonn).



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The New Maoism: A Shadow Play for Today's Leaders

WASHINGTON — Why is China paying attention to a dead Communist, even as it surges ahead on the road to capitalism?

The Communist in question is, of course. Mao Zedong, who died in 1976. In his anniversary year -Sunday marked his 100th birthday
-he continues to fascinate the Chinese people, and his shadow compli-cates life for today's leaders.

From the start, the Chinese Revolution had two broad aims: to throw off foreign control and to resone the Chinese people from poverty. Mao left China a success on the national front (independent) and a relative failure on the economic (backward) In the years after Mao, much of the "class struggle" and "self-reliance" that he stood for was set aside. Ideology was downgraded. Expertise and technique were newly valued. Economic activity was regarded as its own justification.

But while money-making under repressive rule is the order of the day, the "craze for Mao," as it is

called in Chinese, has grown ever stronger since the late 1980s.

In Canton, the bestion of com-merce in southern Guangdong Province, nightclub stars sing in praise of Mao's ideas. Private shopkeepers of-fer busts of Mao that glow in the dark. In Fujian Province, Mao temples appear, his portrait on the altar. This new mystification of Mao is poles apart from the Maoism of the Cultural Revolution — of which Deng Xiaoping, today's paramount leader, was a victim. As "Pop Mao," it is too good-humored, too commercial, too wry to remind anyone

of the zealous days of the late 1960s. But some of the new Maoism recalls Chinese tradition, including that of honoring the (mythical) Yellow Emperor as an untouchable hero. When devastating floods hit the Yangtze Valley in 1991, farmers clutched Mao badges and photos, just as Chinese Buddhists for centuries have clutched images of Guan Yin, the goddess of mercy, to keep them safe and make them prosperous. And like pilgrims to the purported tomb of the Yellow Emperor north of Xian, people again flock to Mao's birthplace in Hunan Province.

It is natural that, in an era of economic boom and dislocation, superstition should return. Mao may seem an unlikely "god," but hun-dreds of millions of people brought up in the Communist era are not niliar with the traditional deities. Mao fills in by default. The current Communist leaders

have mixed feelings about this. "We can remember Mao by singing his songs, but we cannot do him justice by this alone," wrote the official paper China Daily, with some imitation. Government organs spend money on new editions and printings of Mao's works and on films extolling him. This is a safe way to co-opt the craze, steering it in the direction of respect for Mao as a Marxist, and away from superstition.
Deng Xiaoping, whose legitimacy

as a leader stems from his courage in

By Ross Terrill

some of Mr. Deng's free-market policies. But among ordinary citizens "Pop Mao" is a subtle mockery of the whole box and dice of Commu nist politics. It is also a symbol of commerce dethroning politics.

Last year, in an attempt to damp down the Mao craze, and cow those leftists riding on the back of it, Mr. Deng traveled to the commercial South and flashed a green light for a new spurt of reform. He reminded the nation of the horrors of the Cultural Revolution, and pointed out

Senior leftists use the Mao craze to caution against some of Deng's free-market policies. But ordinary citizens see it as a subtle mockery of the whole box and dice of Communist politics.

that his reforms were a relief from those borrors — and a negation of the late Mao. His aides brazenly asserted that Mr. Deng's ideas were the "true development of Mao's thought," and added that "any attempt to make use of the 'Mao craze' for other schemes would be a serious disruption of Deng's path." In some ways, Mr. Deng's China grew from the ashes of Mao's China. Half the Polithuro for much of the 1980s consisted of people whom Mao had imprisoned or sent to rural labor. camps. Thousands of the small businessmen who make the economy zip

had the same expenence. But in some ways, Mao also foretold the spirit and contradictions of the Deng era. In 1958, for example, he observed that after China becomes modernized and industrialized, "we may possibly become too cocky and raise our tail sky-high."
The same could be said today of the foreign policy of Mr. Deng and his chief lieutenant, Jiang Zemin, as. Beijing dismisses Western concerns about human rights in China, sells arms to some of the world's most dangerous regimes and disdains widespread Asian concern at its military buildup and unilateral behavior in the disputed Spratly Islands.

It must amuse Chinese who are busy making money to recall that Mao repeatedly expressed the fear-that capitalism would come back in China. He grasped a truth but from an odd angle. It was less that capitalism "came back" in a triumpha

for a fresh approach. When Deng Xiaoping dies, as when Mao died, it seems likely that legitimacy will be lacking and will have to be manufactured. Once more, a lawless lunge to pick up power may occur, and politics could again take the form of incipient coups. For despite Mr. Deng's ner-

struggle against a socialism caught off-guard than that socialism did

not work well and capitalism was

comed by a country desperate

himself has become a new "Mao" -an "emperor" with a cult enveloping him. No one dares to say a word against him. No process exists to relace him when he dies.

Do not believe that Mr. Deng has "arranged the succession." Mao chose two successors — the head of state Lin Shaoqi and Defense Minister Lin Biao - and unborsed both Hua Guofeng was Mao's third choice Mr. Deng toppled Mr. Hus, showing what Mr. Deng left about Mao's succession arrangements.

In other words, what Mao could not arrange, Deng Xiaoping camou either. So China roars ahead eco-

nomically, dynamic in many areas but pathological in politics. It cannot be ruled out that the left could resurge under Mao's banner in the name of national unity, Chinese cultural pride and collective values. The utopian strands in Mao - his 1920s call for independence for his home province of Hunan, his equation of youth's purity with truth - did not come out of nowhere and cannot be assumed to have died with Mao.

It is possible that a post-Communist Party China unight fall into disor-der and anguish, as has happened in parts of the former Soviet Umon. Then, the ambiguous legacy of Mao could be pressed into the service of fascism, in the name of order, heroic eadership and national pride.

Because Mr. Deng's dismanding of Communist economics is less a goal than a process, it is hard to be sure how much of communi survive. Is Mr. Deng getting rid only of Maoism, or also of communism?

Within five years of Mr. Deng's death, we may know the answer. We may see whether Mr. Deng demol-ished the Maoist house but preserved its Leninist foundations, or unwittingly loosened those founda-tions and kept intact a livable house with the label "Communist" hang-

ing forlors on its front door.
"Our population of 600 million will one day in the future bave to line up when we go into the street." Mao said as long ago as 1958, puz-zing his audience. In the future the streets will be jammed with people. How will we distribute newspapers? How will we go to the movies? How will we go to the park? All these will become problems.

Indeed they will - with 1.17 billion people, they aheady have. Mao foresaw the utanic problem of governing a growing Chias. Mr. Deng's churning lingdom is the great reservoir in today's world of hitherto disadvantages. disadvantaged masses ready to stand up as free individuals.

"Our beloved fellow countrymen will be able to live like human be-ings," a young Mao, then a dissi-dent, said of the future regime he

dent, said of the future regime he struggled for, "and to choose the government they wish."

Today, the Chinese can start to "live like human beings," thanks in part to Mr. Deng's reforms. But still they are not able to "choose the government they wish." Mystification takes the place of participation.

The writer's biography "Mao" is being published this month in an expanded paperback edition. He con-tributed this comment to The Wash-

After Breakneck Growth, Expect Neck Trouble

BERLIN — Schadenfreude is hubbling through commercial circles in Germany. Not only are rival British companies being deprived of lucrative contracts in China, even betier, the work is to go to German firms.

Beijing is punishing Britain for insisting on a modicum of democracy in Hong Kong before the colony reverts to China in 1997, Chinese authori-ties had declared that Bridsh companies would receive 80 percent of contracts worth \$1 billion to build a subway in the southern city of Guangzhou. Now, the Chinese say, Britain will get only 10 percent and Germany the rest.

When Chancellor Helmut Kohl returned from Beijing a few weeks ago proclaiming that he had secured orders worth \$1.8 billion for German industry, it sounded too good to be true. In fact, everything depends on breakneck growth continuing in China - and that is most unlikely.

It is problematical whether China's gross domestic product will continue to grow at the 13 percent pace attained in the last two years. A socially destabilizing inflation rate of over 20 percent can only be controlled by restraining expansion. And there are vast inequities between city and countryside in China, as well as between favored and neglected provinces. Such differ-ences cause bitter social antagonisms that weaken the political and economic system.

Virtually every exporting country is zeroing in on China in hopes of exploiting an apparently inexhaustible market of 1.17 billion consumers. dismantling Maoism, faces enemies But realists are less sanguine about long-term on both flanks. Senior leftist figures prospects for trade and investment in China, use the Mao craze to caution against They also fear what may happen to "market

By Robert Elegant

socialism" when its architect, the paramount leader Deng Xiaoping, dies. He is 89. Some of the worst errors of economics arise

from linear projection — assuming that what has been happening will continue to occur at the same pace for a long time. In the case of China. optimists assume that 13 percent growth attained for two successive years will continue until the Chinese economy produces more goods and services than any other in the world, and China becomes an enormous market for foreign goods.

Yet, growth in China is more likely to decelerate than accelerate, for the base figure on which the percentage is calculated is getting larger. It is patently easier to register 13 percent growth if your base is worth \$5 billion than it is to maintain that pace if your base is \$15 billion.

Those who count on exploiting the China market should realize that it will import as little as it can. Not only the import of consumer goods, now necessary to placene popular discontent, but even the import of capital goods necessary to capital productivity will decline sharply in coming years.

Why should China buy when it can make the same objects or do without? It has always been

thus. In 1839, the Earl of Amherst, glowi optimism, told Hong Kong merchants that they could count on an ever-growing China market.
Why, he said, if every Chinese should buy just one pair of stockings in a lifetime, the mills of England would be busy forever. A few decades later, Shanghai imported an He contributed this comment to the Herald Tribune.

merchants rubbed their hands in anticipation. But they did not get another order that century. Instead, the Chinese viceroy of Shanghai ordered the machine tools copied....

Some of roday's investors in China will make money. More will not. There is trouble ahead. Something is seriously wrong with a country that has had five major air crashes and 13 airline hijackings (to Tawan) in a year. Discontent and incompetence go habd in hand.

This spring, Deputy Prime Minister Zhu Rongi.

was appointed economic coar of China. His first task was to cool an overheating economy. Yet, last month the Central Committee of the Comm Party passed resolutions that virtually repudiated Mr. Zhi's program of restricting credit, insisting on payment of debts, and releasing basic commodities from price control. The party went for

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modules from price control. The party went for nearly untrammeled growth, regardless of the inflation and the shortages certain to follow. And now authorities in Beging have had to reimpose price controls on 27 stable commodities.

Chinese leaders clearly prefet the possibility of trouble tomorrow to the certainty of trouble today. By failing to implement Mr. Zhu's austerity measures, they are recreating many of the conditions that led to the pro-democracy demonstrations so savagely put down in 1989. They are also creating conditions that must lead to a major contomic breakdown in the next few years. economic breakdown in the next few years.

The writer, a former Asia correspondent, is a fellow at the Institute of Advanced Study in Berlin.

A Clear NATO Message To the Soviet Successors

By Sam Nunn

The writer, a Democrat of Georgia, is chairman of the Senate Armed Services Committee.

WASHINGTON — Fear of re-W vived imperial Russian ambi-tions has led East European countries to seek protection via NATO membership. This fear has been heightened by the unexpectedly strong showing in Russia's parliamentary elections of the ultranationalist, racist—some say fas-cist—Vladimir Zhirmovsky and his Liberal Democratic Party.

The main issue at the January sum-

mit meeting of the North Atlantic Treaty Organization will be the alli-ance's relationship with countries of the former Soviet Union and the Warsaw Pack NATO has ruled out immodiate membership for Eastern coun-tries. In 1991, however, it did establish the North Atlantic Cooperation Council, a forum to which ex-Communist countries were invited for the purpose of prompting dialogue on securi-ty matters with NATO members.

ty matters with NATO members.

The NATO summit will build on the council by formally endousing the Partnership for Peace, a U.S.-sponsored initiative calling for NATO military cooperation with any interested non-NATO European state. While the Partnership does not entail the immediate enterprise of entail the immediate enterprise of entail the immediate enterprise. diate extension of alliance security guarantees beyond the territory of NATO's current 16 members, it does envisage such cooperative military ac-tivities as disaster relief and peacekeeping operations, training exercises and planning. It also obligates NATO members to consult with NACC members who feel threatened by an external adversary, and implies eventual NATO membership for countries that meet as yet undefined political and military criteria.

Poland, Hungary, the Czech Re-public and other ex-Communist states seeking full NATO membership hope that the Partnership is a transitional vehicle to full membership.

Others regard the Partnership as a clever device to stall prospective new members, at least until the highly volatile security environment east and southeast of Germany clarifies itself.

I believe the Partnership for Peace concept ows both NATO and pro-

spective new members time to think through tough questions about the ultimate character and scope of the Atlantic alliance. It also buys time to see how events in Russia play out. Russia remains Europe's most formidable military power. I believe that NATO's overriding objective in the coming months and years should be to foster a cooperative rather than a confrontational approach to foreign policy by Russia and the other newly independent ex-Communist countries. Many who favor early inclusion of

Poland, Hungary and the Czech Re-public in NATO cite what they believe to be the historical inevitability of a resurrected Russian imperialism. They may be right. But future generations will not forgive the United States and the West if they fail to make every effort to discourage the re-emergence of tyramy and militarism in Russia. The alliance must decide how best to use the time and flexibility the Part-

its relationship with Russia. Because the two issues are inseparable, I believe a dual approach is advisable.
First, until such time as Russia's direction becomes more certain, the alliance should establish a Partnership framework that provides realistic po-litical and military guidance to East-ern countries seeking NATO member-ship. Second, NATO should make it clear to aspiring imperialists in Russin that the choice between a cooperative

and a confrontational relationship with the United States and NATO will depend on Russia's direction. people: A cooperative Russia will lead strategic partnership with the United States, whereas a Russia seeking a

New security obligations should never be undertaken lightly. Most of so far have paid little attention to its military implications. And while

providing meaningful guidance. NATO summit leaders must address

nership provides to determine its fu-ture character as an alliance as well as

This message must go beyond the Russian government to the Russian to a flourishing mutually beneficial return of empire would prompt the rapid extension of full NATO membership to selected former East European members of the Warsaw Pact.

the discussions of NATO expansion NATO membership corresponds with significant political and economic benefits, the core of NATO is security. If the Partnership for Peace is to move beyond a vague concept by

certain security realities. First, NATO's eastward expansion should not be undertaken without a serious discussion of military strategy and resources. NATO membership does not automatically render one's borders and air space inviolate. Expanding the alliance against a back-drop of sharply declining NATO mil-itary means, and divorced from any defense strategy, could stimulate the



very threat that expansion is designed to prevent and lead to future disillusionment and danger. Second, to those countries seeking

NATO membership, we should begin a step-by-step program of joint train-ing and exercises, development of a common operational doctrine, and establishment of interoperable weaponry, technology and communica-tions. Issues of discussion should include the questions of front-line stationing of NATO troops on the territory of prospective members, and whether new members should receive nuclear guarantees. Third, as currently described in an

understandable effort not to antagonize Russia, the Partnership for Peace places Russia and Ukraine on the same prospective membership list as Poland, Hungary and the Czech Republic. Such an invitation is so broad as to have little meaning. The day when NATO takes in Russia as a member will be the day when NATO is no longer needed. A stable, democratic, market-oriented Russia operating within the precepts of international law and respecting the borders of its neighbors will obviate the need for NATO as we have known it. The Partnership for Peace should not imply that this is a near-term reality.

Fourth, to both our NATO allies and East European friends we must make it clear that NATO membership provides little or no immediate or direct relief from domestic economic problems, political difficulties and ethnic tensions. Economically, NATO is no substitute for East European access to West European markets. Today's Iron Curtain of West European trade barriers is a greater threat to Eastern Europe's long-term prospects for democratic and free market reform than a distant, weakened and demoralized Russian Army.

For four decades NATO troops sat

opposite massed Russian and East ropean tanks in the North German Plain and Fulda Gap. Today, the line has shifted eastward, and the vehicles have changed from tanks with guns to trucks with goods, but the message at the new East-West border remains: "They Shall Not Pass."

To Russia, we are already extending the hand of strategic partnership. Such a partnership can be enlarged to include mutual recognition of each other's vital national security interests; expanded cooperation on nonprolifer-ation and defense-conversion issues; joint planning for dealing with nuclear disasters that might occur, removal of most remaining interconfinential miclear missiles from alert status; en-

hanced military data exchanges; cooperation in peacekeeping and peace-eration in peacekeeping and peace-making operations; and the further development of joint crisis-control centers designed to deal with the threat of a unclear or chemical attack by third commies or terrorist groups.

I believe that a post-Communist Russia implacably hostile to the West is far from a given. To regard it as such now could make it a self-fulfilling prophecy. We nevertheless have an obligation to put on notice those in Russia who speak of empire that we restrict our Communic Processing to the contract of the contract regard non-Communist Russian imperialism - Esm in Europe as just as objectionable as its Communist predecessor.

The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1893: Murderous Crank

NEW YORK — The Mayor of Lou-isville, Mr. Tyler, has had a narrow escape from sharing the fate of the Mayor of Chicago at the hands of a crank. A man called yesterday [Dec. 26] at the City Hall and asked to see the mayor. He was finally received in the mayor's private office and, stepping quickly forward, said: "I wanted a position on the police force, but you have denied my request. I am there-fore going to kill you." He then drew a pistol and pointed it at the mayor's head. The latter struck the man's arm up and the sliot went over his head. The crank was then knocked down.

1918: Vatican's Position:

ROME - Monsignor Ceretti, who went to Paris to see President Wilson on behalf of the Pope, had three objects in connection with his mission,

tation of documents on the subject; recognition of the value of the humanitarian work of the Vatican in prisons; asking the mediation of President Wilson in view of regulating the situation of the Vatican; safeguarding the interests of the Church in Poland and in Turkish territory, especially in Palestine.

1943: Victory by 1944?

ALGIERS — [From our New York edition:] The Allies will win the Enropean war in 1944 if everyone "all the way from the front line to the remotest hamlet does his foll duty, General Dwight D. Eisenhower declared today [Dec. 27] at a farewell meeting with American and British correspondents before leaving for his new command in Western Europe. The man who will direct the all-out invasion of Germany spoke with such assurance that he left no doubt he according to the newspapers. They was confident of complete support of the war front by the home fronts in neutrality during the war and present Great Britain and the United States.

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Are They Helping Iran Go Nuclear?

WASHINGTON — Something very strange is going on, behind v very strange is going on, behind closed doors, among the governments of Israel, Germany, the Czech Republic and Iran. Blinded again by the orge to recover hostages and the delusion of Iranian "moderates," Israel may unwittingly be providing the intelligence cover that could help Tehran acquire Western mulear technology.

Western nuclear technology.
I have only fragments of the Skoda story, and may be putting them together mistakenly; but rather than exhort the Washington pursuers of Whitewatergate,

let me lay out a few carnous connections picked up last week in Central Europe. Three months ago, the head of Iranian intelligence paid a visit to Germany at the invitation of Bernd Schmidbauer, Chancellor Helmnt Kohl's intelligence chief. The meeting was arranged at the secret request of the Israeli government, which had its representatives in a room 50 feet down the hall from the Iranians and Germans.

was, presumably, Israelis held hostage by the Hezbollah in Lebanon, which operates under Syrian sufferance but under the primary control of Iran. The meeting in Bonn went badly, and the franians publicly made known their presence in the German capital

This triggered a vigorous U.S. protest
— why were the Germans secretly playing host to the Inanians? — and embarrassed Mr. Kohl, who has been tight as a
tick with President Bill Clinton. It forced the Israelis (whose presence down the hall may or may not have been known to the Iranians) to acknowledge that the meeting had been held at Prime Minister Yitzhak Rabin's request. Two weeks ago, Mr.

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Rabin met Mr. Kohl in Bonn. So the Israelis will go to great lengths to get their people back, and the Germans comply. What's the big deal? It is that this back channel overlaps—and muddles up—other activity between the Germans and Iranians, with the Czechs as intermediaries, that could transform Iran into a

miclear terrorist power. For years, Iran has been trying to get Germany's Siemens AG, whose nuclear technology is far in advance of Russia's or China's, to build its ouclear facilities. Iran already-lias enough cheap oil to satisfy energy oceds for generations; its only interest is in acquiring the ability to build maker bombs.

At the request of the United States, the Kohl government has restrained the Siemens chief executive, Heinrich von Pierer, from making a nuclear deal with Iran. But Siemens may have developed what spooks call a "cutout," or interme-diary, through a joint venture with the . Czech company Skoda Pizen.

Letters intended for publication should be addressed "Letters to the Editor and contain the writer's nignature, name and full address. Let-ters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

By William Satire

As Stephen Engelberg of The New York Times reported Dec. 15, Israeli journalists discovered that Skoda's di-rector, Lubonir Soudek, had been in Iran from Nov. 23 to Dec. 3 meeting with Riza Amoralabi, the head of Iran's moclear energy department. The compaoy said it was about trolley cars and

energy cooperation." Sure.
When U.S. officials protested to Prague, the Czech government claimed that shipment of nuclear technology to Iran was "not decided." Intelligence sources tell me some Czechs are eager to sell Iran "Tamara" radar, sensitive enough to spot U.S. Stealth bombers, as well as Semtex explosives, the preferred plastic of terrorists worldwide. Let's now review the bidding. Israeli

defense policy, articulated by Mr. Ra-bin, is centered on countering a long-term missile threat from ouclear Iran, The subject of the proximity talks not any conventional tank threat from

Syria. U.S. strategic doctrine agrees. Germany, after being burned in Libya and Iraq, has a policy of restraining export of ouke-tech to terrorist states, but its executives are looking for ways to circumvent it. The Czechs are hungry and want to sell to anybody.

Into this mix comes issued's back-chan-

nel approach to Iran. It confuses the Germans, irritates the Americans, amuses

the Iranians and splits the Israelis.

What to do? Jerusalem journalists should keep up the heat on back-channel dealings with consequences that en-danger national survival. Bonn should keep a close eye on the use of cutouts

by its industrial giants.

And Prague should be told that if it sees its future as a merchant of death, it can expect no membership in NATO, oot even a halfway "partnership for peace." If the Russian bear again be-gins to growl, do Czechs really want to turn for their security to ouclear customers in Tehran? The New York Times.



LETTERS TO THE EDITOR

What Future for Germany? Regarding "Of Two Empires Cast Down and a Republic Rising Tall" (Meanwhile, Dec. 14):

Angust von Kageneck states that "Versailles created Hitler." Was it not the lack of application of the Treaty of Versailles that permitted Hitler to operate? There was a big difference be-tween the defeated Germans of 1918 and those of 1945. In 1918, Belgium and part of France had been ravaged; in 1945, it was Germany's turn to re-ceive what it had inflicted on others.

Now that all this suffering of the German people is starting to vanish in the haze of history, dreams of military glory are surfacing again in the minds of German youth. Again we see murderous xenophobia in Germany. Is German de-mocracy really "considered exemplary"? Can it be trusted?

HUBERT A: LECHEVALIER. Morrisville, Vermont.

My father fought the Germans in World War I, and I fought them in World War IL Over my vehement objections, the U.S. State Department made Germany my first assignment in the Foreign Service, in 1950, I could not comprehend the Holocaust, I managed not to speak to a German for a year, but then I met Ernst Renter, Willy Brandt and many fine democrats. In all, I served 17 years in Germany, and they were the

most rewarding years of my life.

Germany has indeed changed profoundly, and is the keystone of Europe. I have total confidence in its democratic society and in its future.

ALAN DODDS. Bologna. Inman the Transgressor

Regarding "Inman the Selfless Need Not Do Us This Big Favor" (Opinion, Dec. 24) by William Safire:

Bobby Ray Imman's first name clearly rankles Mr. Safire, but after President Jimmy Carter took the oath of office, who cares? Among the admiral's other transgressions are having denied certain military secrets to Israel, having accused Israel of a disinformation campaign and having denounced a convicted Israeli spy too vigorously. Maybe it is time Mr. Safire realized that most governments tend to place the interests of their own country first, sometimes even with zeal.

KEWMARS BOZORGMEHR.

Bosnia: An Accord Beckons

Aid to the communities of Bosnia, as it is now distributed, is only prolonging the agony of war. More and more of the material carried in costly convoys is lost along the way, grabbed by fighters or black marketeers. And as long as this vicious war lasts, villagers of any ethnic group, cold and hungry, will not watch quietly while the things they most need are being conspicuously conveyed through their areas for delivery to people they see as their enemies.

As a United Nations officer in the Sarajevo region recently reported, deliveries are becoming harder and harder because communities have learned to make any concessions conditional. Thus, the rescue of one wounded man may depend on the restoration of electricity in the area from which he is being released. Other conditions are then added: water supplies, aid, exchange of

corpses for burial, gas, delivery of spare Power and Government parts. The list becomes endless.

What is most needed now is a territorial settlement. There will be no sudden end to diplomatic disputes and physical clashes, but once the Serbian, Muslim and Croatian communities no longer live in fear, they will have every incentive to police their own frontiers and reconstitnte their lives. Far from needing tens of thousands of additional UN troops, as currently suggested, such a deal would require only a few thousand monitors with state-of-the-art equipment to super-vise a settlement for which the vast majority of the people manifestly yearn.

NORA BELOFF.

Medicine's Many Healers

Regarding "Doctors Who Heal" (Letters, Dec. 2) from W. Konigsberger:

Awarding the Nobel Prize in Medicine to medical doctors only would be a denial of how science operates today. Medicine simply cannot advance with-out further basic knowledge of how hying organisms function. And in our present multidisciplinary world, these breakthroughs may as well come from biologists, chemists, physicists, pharma-cologists, epidemiologists and "biotech-nicians." "Bedside clinicians" certainly earn our respect for their care. But no one is surprised to see most discoveries in the life sciences being made by full-time researchers. Many of these highly talented academics work for a salary below that of an ordinary practitioner, with a strong desire to expand our common knowledge their principal motive.

R. H. VAN HUUSDUUNEN.

Regarding "People and Government (Letters, Dec. 22) from Tracy Danison:

With respect to Tracy Danison's comments about Tommy Koh, a for-mer Singapore ambassador to the United States. I must say that I have severe doubts whether politicians in any country or culture truly care about the commonweal of the governed. It seems to me that in most cases what politicians (to be distinguished from civic leaders, for instance) are really interested in is their own power and prestige, and the perquisites that go with them. On the other hand, the multicultural differences that the writer pooh-poohs are terribly important to understanding how far a politician can bend the will of the people. Whether Tracy Danison's aunt wears a wig to church or not is thus very important indeed.

JOSH GIRSON.

Rabies and Europe's Pets

The report "How Britain's Rabid Obsession Has Altered the Channel Tunnel" (Dec. 10) omitted one important fact about domestic animals and rabies: In Continental Europe, pet owners are legally obliged to vaccinate their animals against the disease. Every domestic dog or cat gets a personal passport on which the date of its latest injection is mentioned. Without this document the owner cannot even take the animal out of the country where it lives. If only Britain would adopt this scheme and scrap those cruel quarantine laws.

CAROLINE DE WESTENHOLZ.

The Rulebook Could Bring A Brave New Erotic World

By Eric Fassin

N EW YORK — A good consensus is hard to find, especially on sexual politics today in America. But the infamous rules instituted last year by Antioch College, which require students to give explicit verbal consent before so much as a kiss is exchanged, have created just that. They have provoked indignation (this is a serious threat to individual freedom!) as well as ridicule (can this be serious?).

Sexual correctness thus proves a worthy successor to political correctness as a target in public debate. Yet this consensus reveals shared assump-

MEANWHILE

tions among both liberals and conservatives about sexual roles.

The new definition of consent at Antioch essentially reflects a "liberal" philosophy. It assumes that sexual partners are free agents and that they mean what they say: Yes means yes, and oo means oo. Yet if they are based oo iodividual responsibility, they also shift the responsibility in a sexual en-counter from the woman to the man The question is no longer, "Did she say no?" Rather, it is, "Did she say yes?"

Silence does not indicate consent. The novelty of the rules, however, is oot as great as it seems. Antioch will oot exert more control over its students; there are oo sexual police. In practice, you still do what you want as long as your partner does not com-

plain . . . the morning after.

If this is censorship, it intervenes ex post facto, not a priori. In fact, the "threat" to individual freedom for some critics is oot the invasion of privacy through the imposition of sexual codes,

but the very existence of such codes. Hence the success of such polemicists as Katie Roipbe or Camille Paglia, who argue that feminism in recent years has betrayed its origins by embracing oldstyle regulations. Their advice is simply to let women manage on their own, and to let individuals devise their own rules. This individualist critique of feminism finds resonance with liberals, but also with conservatives, who belatedly dis-

cover the perils of regulating sexuality. But sexual laissez-faire does not seem to have worked very well recently. One thing is clear: Things are not clear any-more. Since the collapse of established social codes, people play the same game with different rules. If more women are complaining of sexual violence, while more men are worrying that their words and actions might be misconstrued, who benefits from the absence of regulations? A laissez-faire philosophy toward re-

lationships assumes that sexuality is a game that can (and must) be played without rules, or rather that the invention of rules should be left to individual spontaneity and creativity, despite rising evidence that a rule of one's own all too often leads to misunderstandings.

Those who believe that society's constraints should have nothing to do with sex agree that sex should not be bound by the social conventions of language. In-deed, this rebellion against the idea of social constraints is what's behind the controversy over explicit verbal consent.

—from George Will deriding "sex amidst semicolons," to Carmille Pagha railing: "As

if sex occurs in the verbal realm."

As if sexuality were incompatible with words. As if the only language of sex were silence. For The New Yorker, "The rules don't get rid of the problem of unwanted sex at all; they just shift the advantage from the muscle-bound frat boy to the honey-tongued French major.'

This is not very different from the radical feminist position, which bolds that verbal persuasion is oo better than physical coercion. According to this view, sexuality cannot be entrusted to rbetoric: The seduction of words is in-berently violent, and seduction itself

is an object of suspicion.

What the consensus against the Antioch rules betrays is a common vision of sexuality that crosses the lines dividing conservatives, liberals and radicals.

So many of the arguments start from a conventional situation, perceived and presented as natural: a heterosexual encounter with the man as the initiator, and the woman as gatekeeper - hence the focus on consent. The outcry largely results from the fact that the rules undermine this traditional erotic model.

Not so much by proscribing (legally), but by prescribing (socially): The new model, in which language becomes a cormal form of erotic communication, underlines the conventional nature of the old one. By encouraging women out of their "natural" reserve, these rules point to a new definition of sexual roles. "Yes" could be more than a way to make explicit the absence of a "no"; "yes" can also be a cry of desire.

Women may express demands, and not only grant favors. If the legal "yes" opened the ground for an erotic "yes," if the contract gave way to desire, and if consent led to demand, we would indeed enter a brave new erotic world.

New rules are like oew shoes: They hurt a little at first, but they may fit tomorrow. The only question about the Antioch rules is not really whether we like them, but whether they improve the situation between men and women, or whether other rules would.

Whether we support or oppose the Antioch rules, at least they force us to acknowledge that the choice is not be-tween regulation and freedom, but between sets of rules, implicit or explicit. They help dispel the illusion that sexuality is a state of nature individuals must experience outside the social contract.

The writer is assistant director of the Institute of French Studies at New York University. He contributed this comment to The New York Times.

BOOKS

WHAT THEY BE READING

JAMES BEARD: A Biography

By Robert Clark. 357 pages. \$27.50. HarperCollins.

Reviewed by Margaret Visser

L IKE Che Guevara or Manilyn Monroe, James Beard presented the world with an unmistakable image that could sum up something we wanted at the time to see ex-

Such people have to make an instant and unforgettable impres-sion, using the simplest of props: corls under a starred beret, breasts plus smile plus blonde hair and

drooping eyelids.

For huge numbers of people,
James Beard was the very picture
of a bald, bow-tied, kindly, fat
American who adored food and persuaded us to enjoy it too. Like all heroes, he has used up the ar-chetype: No one will ever again be able to don the image without be-

ing an imitator.

Robert Clark has with wit and intelligence used the Beard chronicle to say even more about his subject's times than he has about

This is biography that highlights and encapsulates cultural history. Clark has understood the function of the mythic images adopted by us, the faceless but demanding multime.

James Beard taught us about

· Senator Larry Pressler, Republican of South Dakota, is reading, "Iberia," by James Michener.
"His first chapters are always so good. I think he has seven or eight dilemmas on understanding Spain at the beginning. Even though the book is a bit dated, I find his incipals are still read."

sights are still good." (Al Goodman, IHT)



taneously of expansionism and consumerism), genial and gener-ons (a Santa figure), very Ameri-can (championing our food while handing on to us French exper-

He even provided a moral lesson in the heroic manner, dying of an excess of cholesterol and of overeating generally, although we should remember that he lasted to

the age of 82.

The first hundred pages of the book are the most absorbing.

James Beard himself constantly

perbly sensitive taste buds. But large, fame-thirsty, food-loving there is a level at which it was we mother, who fed him vast meals who wanted, in a food guru, some-body fat (the embodiment simul-fly" at the age of 5. fly" at the age of 5.

There are also descriptions of

Portland's old market, the lobsters of Gearhart (a fashionable seaside handing on to us French experisons to please. Beard stepped forward to play the role as our drama required. After having been expelled from Reed College for his affairs with

one or more male students and a professor (Reed was to make amends near the end of his life, and Beard was to leave the college most of his estate), he left for Eng-

land to train as a singer.

Then he tried hard to succeed on the stage as an actor. He re-mained a dramatic performer all remembered and houed into leg-end his childhood and early adult-his life: We all know that theatri-James Beard taught us about bood in Oregon, and they are cality is an essential ingredient of food, was an expert cook with su- sharply evoked by Clark. His serious dining.

CHESS

By Robert Byrne The women's world champion 23-year-old Jun Xie of China. steamrollered her challenger, 31-year-old Nana Ioseliani of Georgia. in Game 1 of their title match,

which began on Oct. 25.

The plan underlying 7 Be3 in the Classical Variation of the King's Indian Defense is to maintain the tension in the center or to create weaknesses in the black formation, should the opponent make an ambitions attempt at active counterplay. Jun preferred 7...h6 to the older 7...Ng4 3 Bg5 f6 9 Bh4 Nc6 10 d5 Nc7 11 Nd2 Nh6 12 f3, which lets White organize a pawn attack on the quecaside while her king would not present a fixed target on

the other wing.

If White takes a pawn with 8 de Ng4! 9 ed Ne3 10 fe Be3 11 be cd, Black has more than enough com-pensation in play against the don-

12 Bg4?? fg 13 Be3 creates doubled g pawas to limit Black's leverage in opening lines against the king, whereas White can go ahead with

On 15...de. Ioseliani would have Ioseliani was defending well up to Jun's 27...Ne6!? She should then

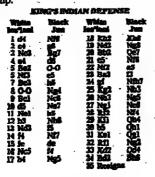


Position after 12 Rfl

Nef5 17 Ne4 Qh4! 18 Ng5 e4 19
Nb4 Bd4 20 Kh2 Be5 21 Kg1 Qg3.
At the first chance, Jun split the
white kingside pawns with 23...[3]?
24 gf to start her onslanght. It
would not have been any improvement for Joseliani to have played
24 Bf3 Nf3 25 gf because 25...Nh7
powerfully threatens 26...Ng5.
On 25...Nh3!? 26 Nh3 Ng5, trading off material with 27 Ng5 Qg5
28 K12 would be destroyed by
28...Bh6 29 Bc1 Qh4 30 Kg1 Qg3 31
Kh1 Bf4 32 Bf4 Rf4.
Joseliani was defending well up

have taken the second sacrificed piece with 28 de and held a draw after 28...Be6 29 Nd5 Qg5 30 Kh2 Qh4 31 Kg2 Qg5 and so on, Instead, she wrongly tried to construct a king exit with 28 Rf27 Nf4 29 Kf1, but after 29...Qh4 she could not play 30 Ke1 because of oot play 30 Kel because of 30_Ng2.

After Jun's 30. Qhl, there was nothing to do about the threat of 31...Bh3. Ioseliani dropped a piece with 31 Kel Qgl and after 32 Rf1, was smashed by Jun's 32...Ng2! 33 Kd2 Qd4 34 Bd3 Bh6. Ioseliani saw that 35 f4 (35 Kc2 Ne3 and 35 Ke2 Qe3 mate are no better) Rf4 36 Rf4 Bf4 37 Ke2 Bg4 38 Kf1 Ne3 would have been a slaughter and she gave



gins to pall for the reader (and it frequently does, ooce Beard bas become famous and busy), Clark turns back to American food history as it unfolded during Beard's

long lifespan.
There are also revelations of fends and bitchery, betrayal and revenge" in the food world, as well as accounts of America's changing tastes in restaurants, of recipe collections and plagiarisms, and even of the homosexual community and the changing social attitudes toward it.

People are given acerbic short ably going to cause more "bitch-ery." I myself bridled at Elizabeth David being accused of "hairshirt

pastoransm.

The first three pages of the book describe Beard's visit to his mother in Oregon when she was dying. in August 1940. The episode is made to reveal all of Beard's anxieties, his longing to satisfy her ambitions for him, his occdiness and resentments.

These pages resonate through-out the book — even through James's most dreary and sordid phases, through his endless paid proclamations of the virtues of various commercial products, his binging on fast-food hamburgers, his exploitation of and by a string nis exploitance of and by a string of pretry young men, and the dis-concerting occasions when he would let his geniality slip to re-veal "a normally concealed well of

It was an inspired idea to begin the book with the picture of Beard before he began to be famous. It helps to make the whole bloated saga explicable.

We understand and sympathize, we understand and sympathize, realizing that food was for Beard, as for so many of us though with less intensity, a "perennial comfort, a thing apart from ambition, achievement, and the interpersonal commerce of career; a castle set in the sand of a perfect childhood

Margaret Visser, the author of "Much Depends on Dinner" and "The Rituals of Dining," wrote this for The Washington Post.



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Former Neo-Nazi Emerges From His Bunker With Advice for Germans the 1937 borders of the Third Reich; participation by currently banned parties in electoral politics; eventual establishment of a totalitarian state. Organizations," up from 40,000 members and 76 groups in 1991. Another 25,000 belong to the far-right Republicans and 76 groups in 1991. Another 25,000 belong to the far-right Republicans said. Mr. Hasselbach's background is not unlike that of 25,000 belong to the far-right Republicans said. Mr. Hasselbach's background is not unlike that of 25,000 belong to the far-right Republicans said.

By Rick Atkinson

Washington Post Service BERLIN - His jacket and boots are, of course, black leather, his eyes the requisite blue, his hair a spiky blond. He sports double earrings in the left lobe and smokes American cigarettes. He is slender and very tall. His skin has a pale, waxy translucence, as though he spent the past

few years in a bunker. ingo Hasselbach still resembles the neo-Nazis he recently renounced. But the former chairman of the extremist group National Alternative has emerged, avowedly weary of the violence and hatred, to bear witness to danger

from the radical right. Now on the run because of threats from the former comrades he forswore. Mr. Hasselhach, 26, who has published a book, "The Reckoning," in which he offers insights into the origins, structure and philosophy of the rightists whose violence has plagued Germany sioce the reunification three years ago.

Mr. Hasselbach accused German politicians, particularly Chancellor Helmut Kohl, of a tardy, tepid response that emboldened the far right. He said he believed the German justice system "is partially blind in the right eye" - not cracking down oo neo-fascists with the alacrity it displayed against the radical left in the 1970s. He ticked off the political ambitions of the radical right: a return to

Perhaps most chilling was his assertion that "the Scene," as the far-right movement is known, is much better organized and interconnected than most Bonn officials acknowledge. German groups have stockpiled arms and explosives, built a computer network and established links to rightist radicals in Spain. Austria, Denmark, the Netherlands, Russia, Finland, South Africa and the United States, he contended.

"The groups have been intertwined since the beginning," Mr. Hasselbach said. "This intertwining has been planned for years."

The right remains superficially divided, he added, in part to make infiltration more difficult and because banning small organizations is harder for the government

than outlawing a single large one.

An indication of international nes emerged again last week when the Russian ultranationalist. Vladimir V. Zhirinovsky, met in Munich with Gerhard Frey, leader of the German People's Union. They reportedly advocate carving up Poland and the Baluc States in a German-Russian

The German internal intelligence service estimated that

A half-dozen rightist parties have been banned in the past year. The intelligence service said violent cames linked to rightist assailants dropped 28 percent in the first 11 months of this year compared to the same period last year. They note that two assailants recently convicted in the arson killing of three Turks in Mölln were given prison sentences, evidence of new toughness by judges and prose-

Yet a sampling of police reports from a recent weekend suggests such attacks remain pervasive: A Jewish cemetery in Worms was desecrated; rightists rampaged through youth clubs in Brandenburg, shouting "Heil Hitler!"; a house occupied by Turkish workers in Darmstadt was firebombed; a bomb sent by what police called "racist attackers" blew off the hand of an Albanian living in

By Mr. Hasselbach's account, such actions reflect a strategy of destabilizing German democracy while trying to purge the country of "unwanted" elements. To date, the far right has failed to mobilize a significant political following, largely because it has no single lead to political around. The Scene doesn't have a leading personality

others who have drifted to the fringes of German society. He grew up in a broken home in East Berlin; his mother and steplather were journalists and ardent Socialists. Rebelling against the oppressive strictures of East German totalitarianism, he became a hippie, then a punk. He discovered a certain pleasure in beating up people. At 19, he was sentenced to a year in prison for bellowing, "The Wall must go!" But it was less a political statement than a drunken roar of protest.

Released in October 1987, he worked as a bricklayer and returned to the skinhead world. He was caught trying to flee East Germany and imprisoned for several months, then escaped to West Germany three days before the Wall

Two months later, he met the man many neo-Nazis believed might be their new führer — Michael Kühnen, a leader of the radical right for more than a decade. Mr. ühnen was a closet homosexual whose death of AIDS, in 1991, fragmented his following. A year earlier, in January 1990, with Mr. Kühnen's encouragement, Mr. Hasselbach

had founded National Alternative.
In the chaos of 1990, between the collapse of East Germany and reunification, the radical right began to thrive and National Alternative grew to 800 members.

Mr. Hasselbach described some of his fellow travelers as unwashed misfits looking for camaraderie; others seem simply crazy, such as those who wander World War II battlefields, listening for the voices of dead SS soldiers. He described his own contacts with Dutch and Spanish counterparts and meetings with Gary Rex Lanck, a purveyor of Nazi propaganda who lives in Nebraska "Lauck." Mr. Hasselback wrote, "remains constantly in touch with all of the most important Nazi leadership

cadnes throughout Germany."

Also important to the Scene are veterans of Germany's World War II military, true believers who act as advisers

and provide ties to the past. Mr. Hasselbach said that for him, the Scene began to wear this last year. The isolation and in-breeding of his small world was penetrated by a documentary filmmaker. Winfried Bonengel, whom he credits as an articulate antifascist who caused him to question his neo-Nazi beliefs. Growing violence by rightist things also began to picy on

um, he said.

Last March, he publicly renounced his affiliation with

Peres Takes Hard Line in **New Talks**

New York Times Service CAIRO - Israel and the Palestine Liberatioo Organizatioo began a third round of talks at a secret locarioo here Monday night to remove hurdles in the way of an Israeli withdrawal from the occupied Gaza Strip and the West Bank city of Jericho amid limited expressions

We came to translate the agreement of principles into a new reali-ty," said the Israeli foreign minister, Shimon Peres, shortly after he arrived in Cairo on Monday.
Mr. Peres was to meet with the chief PLO oegotiator, Mahmoud

But Mr. Peres warned in remarks published Monday in the Israeli daily Yedioth Ahronoth that he expected the PLO chairman, Yasser Arafat, to make concessions. Israel, Mr. Peres said, was "oot bringing

anything new" to the negotiations. Two rounds of talks in Cairo and Paris earlier this month failed to hridge major differences oo key is-sues, the most important of which is whether Palestinians can be allowed to control the entry and exit to the Gaza Strip and the West Bank. There were also differences over the size of the area to be evacuated by Israeli troops in Jericho. and over security arrangements for Jewish settlers in Gaza and Jericho.

4 Fatah Aides Resign

At least four senior officials of Mr. Arafat's El Fatah movement in the occupied territories have resigned on the eve of the tenewed peace talks with Israel in Cairo, Reuters reported on Monday from

Jerusalem.
"The Palestinian negotiations are being run the wrong way," said Sami Abu Samhadana, chief of El Fatah's Gaza Strip office, who resigned along with Jamal Dik, a se-nior West Bank Fatah leader.

The sources said two other Fatah leaders had also resigned: Tawfik Ahu Khousa, a Fatah delegate to the unified command of the Pales-unian uprising, and Zakharia Talmas, head of the Gaza Arab Journalists Association.

ANNOUNCEMENTS

Attention visitors

from the U.S.!



Security forces inspecting damage at the Fintona police station in Northern Ireland after a blast Monday that ended the IRA truce.

IRA Mortar Blast in North Ends Holiday Truce

BELFAST - An IRA mortar attack that came just 16 minutes after the end of a 72hour IRA holiday truce wounded two civilians Monday at a rural police post at Fintona. in a BBC interview recorded last week. Foreign Secretary Douglas Hurd of Britain

Hurd urged the Irish Republican Army to end its 25-year war against British rule of Northern Ireland to win a place at new talks under a British-Irish initiative.

"If you are not going to go for that at the present time then security measures against you will be intensifted and you can expect no etup on that front," he told the BBC.

It was the clearest signal to date that the

British government planned stiffer security measures if the IRA rejected the plan unveiled by Prime Ministers John Major and Albert Reynolds on Dec. 15.

Initial optimism that the plan might end violence that has killed 3,000 in 25 years has dwindled because the IRA's political wing,

conservation and science.

ed and put into practice.

measures are in the best interest of

the panda, and if they can be fund-

The American 200 program for

long-term breeding loans to North American zoos could encourage the

should be concentrated, according

to the biologist George Schaller, who conducted pioneering research

ing to use their singular position to bully other countries and interna-

tional organizations into going

along with Chinese projects, even though money raised in the past

has not always been spent on pan-

there were only about 1,000 pandas

remaining in the wild, even though,

they conceded later, the actual

world attention," Mr. Fan said. Scientists say that even though

there were more pandas than the Chinese officially announced, their

numbers have greatly declined in

In 1988, China shocked conser-

vationists when it announced the

recovery of 146 panda pelts in re-cent years. China did not pass its

first wildlife protection law until

1989. Now, trafficking in or killing

pandas is punishable by death, and

at least five farmers have been exe-

Besides poachers, one of the pan-da's biggest enemies is the Chinese

bureaucracy. The Ministry of For-

estry is in charge of pandas in the

wild, and the Ministry of Construc-

tion handles pandas in captivity -

most of them in zoos. Cooperation

between the two has been limited at

best. It was only this August that

officials from both ministries

agreed to attend the same interna-

to talk about panda conservation, panda experts said.

tional meeting in the United States

"That was done to get more

number was much higher.

da conservation, sources said.

Sinn Fein, says the plan does not go far warned of a security crackdown on the IRA if enough towards uniting the British-ruled it failed to endorse a 12-day-old British-Irish

peace plan aimed at ending the violence. Mr.

Continued from Page I \$10,000 on black markets in Hong

Kong. Taiwan and Japan. World zoos pay \$1 millioo a year to rent a pair of pandas, increasing zoo revenues hut, some critics

hreeding cycles.

Because of the animals' enoramount of money involved, the politics of panda conservation are

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PANDA: Future More Black Than White for World Conservation Symbol "It's the worst politics of any endangered species I've worked lish "green corridors" to link up with," said Devra Kleiman, assis
"It's the worst politics of any serves, relocate peasants and establish "green corridors" to link up lish "green tant director for research at the

Washington National Zoo. An ambitious drive is under way charge, disrupting the panda's to China and ahroad to save the cration, China has finally approved mous popular appeal and the a \$100 million, 10-year plan that would double the number of panda reserves, find new jobs for state

The World-Wide Fund for Nature, known in the United States as the World Wildlife Fund, is organizing a meeting in Geneva next panda. After four years of consid- month to raise money from international development agencies for the Chinese plan.

In February, the American Zoo Association hopes to outline its timber workers who log in the re- strategy for raising "tens of mil-

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Coping in Eastern Germany As Old Ways Die, New Paths Are Explored

By Stephen Kinzer
New York Times Service

ALTDOBERN, Germany this 750-year-old village carved out of the dense forests of eastern Brandenburg, game is so plentiful that hunters can fill orders for deer

and wild boar in a matter of hours. The nearest city is Cottbus, 20. miles (32 kilometers) away, and Dresden is 40 miles to the south. Life was very quiet here until the 1930s, when machines began tearing up the countryside to extract the coal that lies in thick deposits

not far below the surface. During the Communist era, this coal stoked homes and factories throughout Eastern Europe. In Altdobern, a community of 3,800, two-thirds of the workers were connected to the coal industry. But the collapse of the Communist alliance, and the access to more effi-cient Western producers and alternative fuels, has meant slow death for the industry.

Old ways are dying too, and the challenge to those in Eastern towns like Altdobern is to adapt to the drastic and sometimes frustrating changes brought about by unification. Many people say they feel betrayed, especially by economic failures, but others are finding new

ways to cope, and even to thrive.
In 1989, the last year of Communist rule, 2,100 people worked at the mine, whose main pit covers 8,500 acres (about 3,400 hectares). Now fewer than 500 jobs remain and they will be cut to 350 by the

end of the year. Paul Hartelt, who heads the shrinking Laubag union local, is-trying to ease the shock.

Half of the workers at our mine

back into American and Canadian zoos, according to Michael Hutchthe pits. Some families have simply given up and moved to the West. ins, the association's director of It's a very tough situation, especially for the older people. They feel sold out and abandoned. Some-The only panda in the United States is the Washington National Zoo's Hsing Hsing — the surviving make half of a pair given by China to the American people in 1972.

It is uncertain, however, if these times people who have lost their jobs yell at me on the street. I tell them it isn't my fault, but that doesn't make them feel any better."

"They think Western coal companies are manipulating the industry to destroy possible competi-tors," he said, "and there's some truth to that. We have enough coal here to keep the pits open until 2015, but politicians in Bonn aren't Chinese to take pandas out of the interested in looking for ways to keep people here working.

wild where conservation efforts This has built up a lot of resentment, and it's going to have a political effect. Many people here won't on China's wild pandas from 1980 vote at all, and others will vote for far-right parties as a way of show-Ultimately, because pandas are native to China, the Chinese will ing their anger. They don't think about what would happen if those have to save the animal. Some skeptics accuse the Chinese of try-

parties come to power In addition, nearly all the town's farms have gone bankrupt in the face of cheaper competition from Eastern countries. Only 30 people now make their living from agriculture, down from more than 300 a few years ago.

But not everyone in the East is "It's a hostage situation," said John MacKinnon, a former official bitter. A five-month survey of more than 11,000 Germans by the magawith the nature fund who now zine Focus suggested they are now with the hatter that wild have heads a Hong Kong-based conservation group. "The Chinese are pointing a gun to the head of the panda and saying: 'If you want to keep it, fund it. Otherwise, we're going to let it go." happier than their cousins in the wealthier West. Nearly 28 percent of Easterners responding said they expected to be living better lives in the near future, while only 7 per-cent of Westerners shared that During a census of pandas in 1978, the Chinese claimed that

niably improved. More than threequarters of families now have cars, according to a government study,

earns as much as 6 Hungarians or later years, wealthy monstrians.

In 1938, the Nazis forced the cas-30 Russians.

In the three years since unifica-

terprises like the sauma and tanning studio that one family has opened on the second floor of their home. Fashionable women's clothing fills the window of Bourique Jutta.
The proprietor, Jutta Thierbach,
once was a seamstress in a Cotthus vate sewing work and opened the boutique in 1990.

achieved in three years, it's really amazing." Mrs. Thierbach said. "Many people here don't know transform it into a music school how to deal with the new situation. Altdobern has been spared the They get one or two job rejections plague of rightist and neo-Nazi vio-and then give up. It's because in the lence that has spread across Gerold days, everything was guaran- many since unification teed. From cradle to grave, every Since a restrictive asy

one reason that hope glimmers on ther for other communities or for Altdobern's horizon. A toxicologist their homelands.

Many people here don't know how to deal with the new situation. Jutta Thierbach, A boutique owner.

who formerly worked as a health

communities, no one ran for mayor needed two full-time police offi-in recent local elections. In 22 communities, there were no candidates for any office. This reflection of ole's increasing focus on their own

As a first step, the mayor has begun reforestation to replace hundreds

of thousands of trees. a tourist complex where coal was 120 vacation cottages built around a large artificial lake, with sailing. windsurfing and other recreations.

The scenic Spreewald, a region of marshes and slow-running rivers, is only a few miles away. A renovated hotel in the center of Altdobern is often full, and the owner of a larger one, formerly a training center for schoolteachers, is negotiating for a loan that will allow him to bring it up to western

Developing the town's economic potential has been complicated by the maze of claims on properties expropriated by the Nazi and Com-

munist governments.
Mr. Thierbach can point to homes, businesses and entire neighborhoods that have been affected by these claims.

A movie theater and hotel on the central square is still shut, its fa-cade crumbling, because a former owner insists on having it back al-The standard of living has undethough he signed an agreement to sell it three years ago, when prices were much lower.

The town's best-known and most and 96 percent own color television valuable property is the 100-room sets. Incomes are still lower than in castle built in 1717 and owned by a the West, but the average worker succession of noble families and, in

tic's owner, a Jewish cigarette mantion, 164 businesses have opened in infactures, to sell it to a non-lew. Nearly all of these are small en pelled by the Communists, who used the castle for a variety of purposes, including an electronic cen-ter from which the secret police

tapped telephones in the region.
As lawsuits and negotiations dragged on, a series of potential once was a seamstress in a Cottbus investors abandoned their plans to factory. In 1987, taking advantage—build an elegant hotel or other attraction in the castle. The battles enterprise, she began taking in private recently ended after three years, with relatives of the former legant. owner receiving financial compen-When I think of what we've sation, but plans for the castle are nieved in three years, it's really uncertain. A foundation sponsored by the state government hopes to

Since a restrictive asylum law thing was done for you. Now lots of took effect in July, the 300 asymmseekers from 12 countries who were people feel heipless and lost." seekers from 12 countries who were Her husband, Hans-Joachim, is housed in Althobern lave left, for

Mr. Thierbach worked to avoid violence by meeting with groups of rightist youths in the area and taking them and local schoolchildren to tour the hostels and see the crowded conditions.

The local youth club has also remained open. These clubs attracted young people during the Communist era, and their disappearance in many towns deprived

them of a place to go.

Although there have been no racist assaults in Althobern, petry crime has sharply increased, as aland safety inspector, he was elected most everywhere in the former East mayor in the first post-Communist Germany. The rate of break-ins, election three years ago and recent- car thefts and similar crimes has creased by 140 percent since In 290 of Brandenburg's 1,708 1989. The mayor said the town

nearby town two days a week. The difficulty some people have castern Germany's confusion and in adjusting to post-Communist political cynicism as well as peo- life is clearly evident at Aldobern's grammar school. One of the teachers, Helga Schmidt, was a militant The biggest challenge is transmember of the Communist Party, forming the local economy after and students said she often distinct catastrophe of the mine closing criminated against churchgoers and others who did not share her ideology. She has been allowed to remain on the faculty, and has even Mr. Thierbach also has plans for been elected to the town council as a representative of the once mined. He envisions about Socialists, successors to the old Communists. But she is still disliked by many of her neighbors,

and she understands why.

"I was educated from childhood as a socialist," Mrs. Schmidt re-called. "I always accepted party discipline, and when I saw things that didn't seem right, I kept quiet. I didn't have the courage to speak up, to ask why we weren't allowed to teach certain things. I kept my mouth shut. Now I realize that was wrong. But if I'm guilty, isn't everyone who lived in East Germany guilty, except for the people who

went to jail or really suffered?"
One of Mrs. Schmidt's longtime colleagues, Monika Kruger, has be-come principal of the school where they both work. That could never have happened before, because Mrs. Kruger had refused to join the Communist Party and insisted on being married in a church, defying the government's official atheism. Because of her nonconformist views, she was prevented from pursning a career as a physicist.

"What a lot of people saw as normal, I didn't," Mrs. Kruger said. "I am totally grateful for this change. We can do so many things that we couldn't do before."

South Africans

Clash on Beach

JOHANNESBURG - Dozens

Italy to Seize \$10 Million Tied to '83 Bank Failure

The judge granted a seizure request made by magistrates investi-gating the finances of Licio Gelli, former head of the banned

Tuscan home town, told a news conference. They said Mr. Gelli tried to hide funds in complicated cross-border transactions that included investments in companies and real estate. Mr. Gelli was arrested in Switzerland in 1983 when he was alleged

He was extradited to Italy four years later to answer reduced charges of slander and false representation.

AREZZO, Italy — A judge on Monday ordered the seizure of assets worth \$10 million from the former grand master of an outlawed Italian Masonic lodge, investigators said. . .

Propaganda Due, or P-2, lodge.

The inquiry, which began 18 months ago, found that Mr. Gelliheld assets well beyond his means, investigators in Arezzo, his

to be trying to withdraw tens of millions of dollars from an account used by South American subsidiaries of the failed Banco Ambro-

of people were hurt in brawling between blacks, whites and Indians on a beach in South Africa's port city of Durban, the police said

> Fighting broke out Sunday afternoon after a white man shot at a fleeing mugger. He missed but hit a black. At the same time, a man died of a heart attack nearby.

"Although unconnected, the incidents caused crowds of people to become very unruly and they vented their anger on policemen on the scene," a police spokesman said. The police broke up fights between blacks and whites and then between black and Indian crowds, a

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Muu-Muu Caper: Dressing for New Year's Eve

By Emily Prager New York Times Service

EW YORK — New Year's Eve is a heady time. It's the evening we make the transit from the life of last year to the life of next year, when, if hope has faltered, hope is renewed. It is a magical night, the closest that we come in living to mortality, in that it involves a passing away, a passing over and a rebirth of sorts. There is grief, nostalgia, some mourning perhaps, a making of peace, a wakelike reveiry, and finally, a passage in hope and trepidation into the unknown.

The meaning is what to wear for it

in hope and treputation into the unknown.

The question is what to wear for it.

I wanted to dress like an angel. It was a strange impulse, perhaps brought on by all the sheer things I saw at the fall collections, or by constant sightings of the "Angels in America" angel, whom I love. Perhaps it was envy of the fashion magazine angels, or the news magazine angels. I wanted glitter, lots of filmy material and an out-of-body experience. I wanted to rise un, look down and set some perup, look down and get some per-spective on millennial matters. So I bought a pair of wings (\$12) and

It's a magical night and she wants

to look like an angel.

went shopping.

My first stop was a charming little store which, this year, is filled with turn-of-the-century echoes—puckered velvet evening bags, chepille boas and beaded lace. There I found a green rayon

chiffon angel dress with broom-stick pleats and velvet flocking (\$160) that made me hover. As I floated around the store, I pondered the past and the future. That afternoon, I had visited the library and looked up 1894 in newspapers and in Timetables of History to see, I suppose, what we might learn from it.

It was the year dog catchers were abolished in New York City, the Dakota apartment building was completed, the first mansions were built on Fifth Avenne. Congress passed the first graduated income tax law. Nicholas II became the last czar of Russia. Dreyfus was convicted in France. Korea and Japan declared war on China and President Sadi Carnot of France was assassinated by anarchists.

I proceeded to a most lovely antique clothing store, virtually levitating on history. There, I discovered a 1930s silk chiffon, Ginger Rogers denoting dress with silver-sequined bodice to pass over for (\$150). It looked superb with wings, as did a pair of Myrna Loy lounging pajamas in royal blue and white satin (\$125).

As I wafted out the door and up the avenue, I marveled at how everything that we now take for granted as entertainment was introduced in 1894. The United States Golf Association was established.

lished. Comics first appeared in Sunday newspapers. Edison opened his first Kinetoscope Parlor in New York. Louis Lumiere invented the cinematograph. Resiner first used a horizontal gramophone disk instead of a cylinder for sound reproduction. Marconi built his first

radio equipment.

Visions of art circled my head. In 1894, Beardsley illustrated Wilde's "Salome." Toulouse-Lautrec painted "Au Salom de la rue de Moulins" and produced lithographs of Yvette Guilbert. Alphonse Mucha prepared the art nonveau poster of Sarah Bernhardt.

Kipling published "The Jungle Book." Du Maurier created Sven-

gah in his novel "Trilby." Anthony Hope published "The Prisoner of

It was only a short flight to my favorite secondhand clothing store, but as I took it, I thought of science and music. In 1894, haploid and diploid chromosomal counts, the bubonic plague bacte-room and Homo executs were discovered. Diesel invented the Diesel engine. Debassy wrote "L'Apres-Midi d'un Faune." Sibelius wrote "Finiandia."

In all, I mused, as I undulated into the perfect angel robe, a beign chiffon mun-mun with sequined collar and cuffs at the extestial price of only \$35, it was a year when our present began to be begun. It remained for me to purchase my angel robe, which I did, folding my angel wings and placing them carefully in my shopping bag to be retrieved on New Year's Eve.

N Dec. 31, I will dress as an angel and watch the ball drop on television. I will ponder interactive television, the 500 channels, the latest fusion experiments. I will warry about Bosma, North Korea, South Africa and crime. I will consider seriously the electric car and computerized art, and I I will think on the state of women.

One hundred years ago in March a group of English ladies resolved that men had encouraged women to be military hospital nurses "only in order to keep them from bearing arms and thus demonstrating their equality with men." According to The New York Times, they held a meeting in England and "organized a company of volunteers for purely lighting purposes." They decided on a uniform of "dark blue tunies, knickerbockers and stockings, and would be armed with "a title and a sabre bayonet, as well as with "a mousetrap capable of catching eight simultaneous mice." The proposal to carry a cat was voted down as "impracticable." Oh, well. In the next century. Happy New Year!



When Elegance Ruled at Europe's Royal Tables

By Jean Rafferty

ERSAILLES, France — When it comes to the art of dining out, the French have long reigned su-preme. But as a new exhibition proves, French preeminence in the arts of the table began by dining in, at the Ver-

the surviving masterpieces in French silver cred Napoléon's Egyptian service forgot-and gold tableware and Sèvres porcelain ten in a museum storeroom on one of her made for and inspired by the dining style seven trips to Russia. It was exhibited to of French royals — a style that set the Russian public for the first time just

soupers au grand courer - royal craftsmen II of England, Queen Margarethe of Den-surpassed themselves to provide exquisite mark, King Carl XVI Gustav of Sweden, silver and gold services worthy of the Sun plus the extraordinary collections of three King, Foreign ambassadors reported back Russian museums (the Hermitage, Kremto their sovereigns and soon the refinement lin and Kuskhovo) and several in Portugal. of Louis's table was envy of all the princely Reginning with a 10-meter (32-foot) tall courts of Europe, who lost no time in column of light that recreates a royal cenordering their own magnificent French ser-terpiece of 1674, the magnificence of din-vices. Later, when Louis XV ordered the ing in Versailles has been set in scene by first royal porcelain service from the future. Italian set designer Pier Luigi Pizzi in the from the factory that became renowned Royal Manufacture of Sevres, it provoked newly restored Africa and Crimea rooms of when it moved to Sevres in 1756. It was

another fashion furor.

The château. Their renovation, which protest in the château de Versailles with a liked to take after the hunt with his nobles and mistress-notoriously casual with their silver and was sponsored, as is the show itself, by

gold services, melting them down to pay LVMH (Moët Hennessey Louis Vintton) much preferred dining in private, reduced the only surviving boat-shaped nef and for wars or to be recast in their own verto mark the 250th anniversary of Moët et public meals to Sundays and holidays. On caddine, which contained the king's napsions. The fragility of porcelain and the Chandon champagne.

sailles table of Louis XIY.

The exhibition, "Versailles et les Tables Royales en Europe," at the Château de Versailles until Feb. 27, is an assemblage of the surviving masternises in Europe and provide clues to royal dining habits.

French treasures.

The story of how the organizers succeeding insight into the incredible splendor of royal lifestyles. Several paintings oo display also provide clues to royal dining habits.

fashion for the rest of Europe from the before being sent to Versailles.

17th to the 19th century.

The list of lenders for this exhibition is

For Louis XIV's public suppers — les straight out of the Gotha: Queen Elizabeth

French Revolution took care of the rest.
Fortunately, despite their own wars and revolutions, foreign monarchs—and their democratic or communist successors—were more successful in hanging on to their times of Sevres arists, but certain services to sevices and the Augustes, and the talent of generations of Sevres arists, but certain services.

F it all seems like dining in a play, it was. At the royal table of Louis XIV, conversation was at a minimum. Not surprising when oue reads his sisterin-law's account of the king's usual consumption: four plates of soup, an entire pheasant, a partridge, salads, ham, mutton with garlic, a plate of parisserie, fruit and then hard-boiled eggs. Eating well was a sign of opulence and almost the king's

The advent of porcelain on royal tables marked a move away from the strict proto-col of grand couvert meals. Louis XV or-dered his first fabulous "celestial blue" service of soft-paste porcelain in 1753-55

these formal occasions, Marie-Antoinette kins, cutlery and tests for poisons, and were symbols of the power meal on kingly dine. At the queen's instigation, Louis XVI began giving "society suppers," when distinguished, though nouroyal guests would be invited to dine in their private dining Alexander I, the Sevres Egyptian Service

The presence of these two services at the sian museums. exhibition, back at Versailles for the first time in almost 200 years, is especially poignant. The 44 pieces of Louis XV's first porcelain service were loaned by the duke of Buccleuch from the collection that has been in his family since 1830. The Grand Service of Louis XVI, the most celebrated of all the king's Sevres porcelain, was never completed due to the Revolution, but 115 pieces were sold to England's George IV by the revolutionary government and the

Elizabeth II. The success of the Sèvres porcelain factory provided a fertile source of diplomatic gifts for both Louis XV and XVL, and a room at the show is devoted to them.

pieces on show here were lent by Queen

Though Napoléon reportedly found din-ing a bore, he understood the prestige of a sumptuously-set table. His grand vermeil

service escaped the meltdown and includes

room. The splendid grand service he or-dered from Sevres in 1783 — each plate paign and its astonishing biscuit center-graced by a painting on themes of mytholo-gy and ancient history — was designed for rams, is one of the highlights of this glitter-

FTER Napoléon, royal dining etiquette was simplified to the service used at most formal dinners today when serving dishes are presented to each guest successively. Porcelain gradually replaced silver and Baccarat crystal glassware appeared on tables liberated from the crowd of serving dishes. The affection for the grandiose cen-terpiece continued unabated, however, demonstrated in the surviving bits of Napoleon III's silvered bronze surtout that closes the exhibition. Dull and scorched from the fire that destroyed the Tuileries Palace in 1871 during the Commune uprising, it is a reminder that royal life was not all splendor.

Jean Rafferty is a Paris-based journalist who specializes in design and lifestyle.

In a Fashion Princess's Kingdom

By Georgia Dullea
New York Times Service

EW YORK — The dark green Jaguar was on its weekend run in Manhattan to the hills of Litchfield County. Behind the wheel, a woman with major checkbones and a an wan major cheekbang and a quirky European accent was talk-ing a boat holidays in Connection. Not the 1940s movie "Christmas in Connecticut," in which a maga-zine writer (Barbara Stanwyck) and a war hero (Dennis Morgan) find love under the mistletoe - not that

celluloid chestmat.

No, this was a real-life "Christmas in Coancerican" for the '90s, in which a fashion designer who used to be a princess (Diane von Furstenberg) becomes the queen of the QVC home shopping channel. She decks the halls of her country estate with evergreen swags and old beaux. "If you've loved some-body," she said, "they always re-main part of your life."

celluloid chestnut.

The ranking old beau (Barry Diller) is an entertainment mognl. (As the chairman of QVC, he's trying to take over Paramount Communications, and she has a piece of the action. But that's another mov-

Also spending the holidays on the designer's 100-acre (40-hectare) spread, Cloudwalk Farm, will be her former husband, the prince (Egon von Furstenberg). She refers to him as "my first husband," though she has been married only once. She describes their children (Alexandre 23 and Taliana, 22) as (Alexandre, 23, and Tatians, 22) as

things go, probably because of this want to be somebody who did something when she was 25."

reinvent herself.

Right now; the thing is selling her is doing a "Midnight Special" on silk sportswear on QVC and posing.

QVC, moving 12,000 of her silk



Diane von Furstenberg

on the sofa with Diller in his suite at the Waldorf-Astoria as the photographer Annie Leibovitz snaps them for Vanity Fair's "1993 Hall of Fame." Von Furstenberg is a con-

tributing editor of the magazine.)
Remember the wrap dress? Surely
no woman over 40 has forgotten. A no woman over 40 has lorgotten. A Belgian-born designer who studied economics at the University of Geneva, von Furstenberg was just 25 in 1972 when she created a little jersey dress. She just knew it would have a progress a state of the progress of the state of the progress of the prog American women out of panisuits. Four years later, she had sold 30 million of the dresses - to women

of all ages, shapes and incomes— and she was ou Newsweek's cover. The wrap dress lives—and not just in costume collections and thrift shops. Sometimes when von Furstenberg is giving a talk out of town, a woman in the andience will "my best patterns."

On New Year's Eve, won Furstenberg will turn 47. She has certainly had a long run, as these in the car. But she added, "I don't things on ambably because of this spent to be strucked," who did

about her strange and enchanted What does she know? existence in the 80s. "I was four and Her voice prew edge

hut by the beach on the island of Bali. The interlude inspired her to create a performe, Volcan d'Amour, and to decorate her Fifth Avenue and to decorate her Fifth Avenue and beauty."

Cases, I bad to buy it back; in some cases, beg it back, all kind of ways. My accountant was not happy, but it was worth it to be back in fashion and beauty." cluding a flock of wooden geese.

The geese remain, but Paolo has flown. "He's the only one I'm not lot of humble pies."

She sighed. "Those years from "59 to "92 were very difficult. I ate a flown. "He's the only one I'm not lot of humble pies." offices with Balinese artifacts, instill close to," she said.

After Bali came Paris, where she set up a literary salon and founded a publishing house, Salvy. "Writing is the one art I am most sensitive to," she said. "I have a weakness for writers." In particular, there was the novelist Alain Elkann, with whom she shared an apartment on the Left Bank.

in the 30s, the DVF signature sold more than \$1 billion worth of licensed products — everything from eyeglasses to inggage. The royalties were rolling in, she said, but her label was being ruined by the manufacturers. "They were doing junk," she

shirts, at \$59.95 each, in less than said. "I tried to talk to them, but they wouldn't listen. I could tell they thought: "She's a has-been.

a half years with Paolo and four and a half years with Alain," she said at one point. "That's my quota."

Paolo was a Brazzlian art dealer with whom she shared a hambar Paolo was a Brazilian art dealer back my name," she said. "In some with whom she shared a bamboo cases, I had to buy it back; in some

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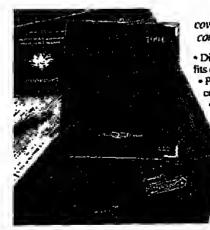
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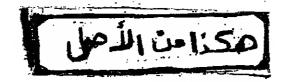
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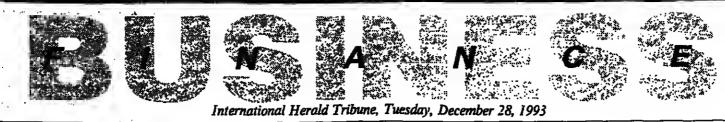
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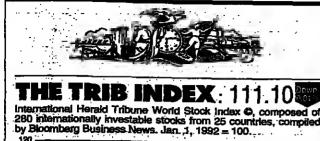
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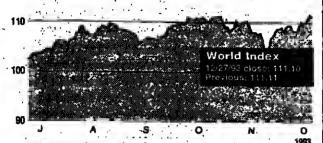
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Energy	110.76	109.69	+0.98	Capital Goods	111.54	111.40	+0.13
Utilities	117.25	117.69	-0.37	Para Materiala	113,15	112.64	+0.45
Finance	113.09	114.07	-0.86	Consumer Goods	99.14	98,55	+0,60
Services	119.71	119.50	+0.18	Miscellaneous .	133.03	133,25	-0.17

INTERNATIONAL STOCKS

Viacom Weighs **New Bid**

Will Redstone Pay the Price?

By Geraldine Fabrikant New York Times Service

NEW YORK — Summer M. Redstone, the chairman of Viacom Inc., can tap investors to raise his offer for Paramount Communications Inc., but if he does, he may face costly hurdles from both his equity partners and Paramount's board, according to media analysts.

"It's a tough call for Summer," said David Londoner, an analyst at Wertheim Schroder & Co., adding that even if Mr. Redstone can get the money, he has to decide whether Paramount is worth it.

Last Wednesday, Viacom Inc. lost an important point when the Paramount board approved a bid from QVC Network Inc. that included roughly \$5.5 billion in cash, compared with Viacom's current bid, which offers \$5.1 billion in cash. Both bids also include stock. bringing QVCs total to \$10 billion and Viacom's to \$9.6 billion.

An executive close to Viacom said there was no problem getting more money if the company chose to contime the fight. Over the holiday weekend, Viacom continued talks by telephone with its equity investors, Blockbuster Entertainment Corp. and Nynex Corp., according to people close to the discussions.

But even as reports circulated that Nynex would add to its \$1.2 billion investment in Viacom, several industry observers said they doubted Viacom could get additional funds on the same terms it struck with its partners last fall. Last September, Blockbuster

and Nynex agreed to buy convertible preferred stock in Viacom with a 5 percent dividend that could be converted to Viacom class B nonvoting stock at \$70 a share. Block-

buster put up \$600 million.

At that time the shares were trading at about \$53 a share. On Thursday, the day after the QVC hid was approved, the Viacom shares closed at \$46.75, and on

See VIACOM, Page 11

Busing Against the Odds Mexican Vehicle Maker a NAFTA Star

By Anthony De Palma New York Times Service

MEXICO CITY - Four years ago, the government got rid of a state-controlled company that lost \$25 million a year by turning out smoky buses and trucks that were barely able to climb Mexico's

That same company, Consorcio Grupo Dina now is operated by a team of businessmen and has an annual profit of \$90 million on a oew line of trucks and buses. It is one of five Mexican compa-

nies listed on the New York Stock Exchange. Three weeks ago it announced a preliminary preement in the U.S. market with the acquisition of Motor Coach Industries International Inc. of Phoenix, the largest bus manufacturer in the United States, in a stock deal worth \$336.6 million.

It surprised many analysts that a Mexican company, especially one with a rocky past, made the first major cross-border acquisition in the new era of free trade among the United States, Canada and Mexico. Because Motor Coach Industries has operations in Canada, the acquisition creates one of the first new North American companies since the North American Free Trade Agreement was approved in

Washington. The deal also reflects the precarious position that even strong Mexican companies face because of uncertainty over the value of the peso and the

anemic performance of the Mexican economy, which in the last quarter declined 1.2 percent from the same period last year.

Analysts say it makes sense for a company like Dina to make major purchases now because a deval-uation of the Mexican peso is possible in 1994 and

would make any foreign acquisition more costly.

They also said that while diversifying across borders should be beneficial in the long run, it could weaken the company next year because it will divert resources at a time when growth in the

Mexican economy is expected to be restrained.

"This deal will probably burt the short-term outlook for the company," said Jorge Garza, an analyst with Vector, a financial services company in Mexico City. "In the long run though, Dina is

help it avoid the kind of contraction it has suffered this year by relying only on the internal market."

By most counts, Dina is one of the success stories of Mexico's ambitious program to get the govern-ment out of business. Since 1987, Mexico has sold or

closed nearly 1,000 state-run businesses. Diesel Nacional, the forerunner of Grupo Dina. was formed by the government and Italian private

By most counts, Dina is a success story of Mexico's privatization program.

investors in 1951, and for years was run without much attendon to efficiency or service.

In 1989, a group of Mexican investors bought

the company from the government for \$232 mil-lion. The package included Dina's medium- and heavy-duty truck operations, as well as the company's urban transit and long-distance bus plants. Last May, the company signed a contract with its 4,900 employees that based promotions on merit rather than seniority, and included produc-

tivity incentives. Productivity gains are obvious. In 1988, the last full year under state control, the company made and sold 2,967 trucks. With roughly the same oumber of employees, this year it will assemble and sell over 12,000.

On paper, Dina's long-term market prospects are strong. During the economic crisis of the 1980s, many Mexican companies could not afford to

replace aging trucks in their fleets.

Roberto Swaine Bell, president of the association representing Dina's dealers, said that if Mexican interest rates come down, Dina's sales could surge in spite of Mexico's economy.

Dina's bus segment also is strong. Because Mexi-co's railway system and domestic air travel are so limited, buses carry 97 percent of intercity travelers.

German Shares Lead Europe's **Year-End Rally**

FRANKFURT - Germao stocks surged on Monday, sending the DAX index to a record high, as institutional buyers sought to lock in gains into 1994. French and Swiss shares also closed at records, adding

to their advances so far this year. The European component of the loternational Herald Tribuoe World Stock Index rose 0.38 percent, to 117.20 points.

German stocks closed the official trading session at a record as investors sought to prolong their rally into the new year. The DAX index of 30 most traded German stocks closed 31.14 points, or 1.4 percent, higher at 2,253.98. The DAX has risen 47 percent so far this year.

Dealers said much of the buying came from funds. "Institutional investors say they want to carry over the gains into the new year and then sell early in 1994 to show a good performance from the start, said Ralf Maier, a trader at Bayerische Vereinsbank in Munich. "Out of 10 investors, seven say that's what they want to do."

As few investors want to sell shares before the end of the year, supply is low and small buying orders suffice to drive prices up, said traders. A rally in the DAX index futures also helped to push prices higher, said the traders.

DM (\$162.97). However, that's still a long way from the 325 DM the shares traded at before reports of heavy losses in oil futures trading by its U.S. unit triggered a manage ment shake-up at the metals and

See STOCKS, Page 10

4 Asian Markets Reach Records

TOKYO --- Asian stock markets surged on Monday, led by the ex-changes in Singapore, Thailand, Malaysia and the Philippines.

which all hit record highs. In Singapore, frantic buying sent the 30-share Straits Times Industrials index up 2.24 percent, or 52.09 points, to 2,378.43. The Kuala Lumpur Stock Exchange followed suit. led by foreign buying of blue chips. The composite index surged to a new high of 1,206.80 points before closing at 1,205.28, up 26.82 points.

In Bangkok, the SET index surged 2.75 perceot to break through the 1,600 barrier, closing at 1,608.12 in active trade. The Manila composite index zoomed about 173 points, closing at a record 3,170.62. But the Asia-Pacific component of the International Herald Tribune In the DAX Monday, 28 shares world stock index tumbled 1.52 perrose and only two fell. The advance was led by Metallgesellschaft AG, whose shares gained 6.64 percent, or Tokyo's Nikkei index fell 321.23 points to 16,819.88.

Shock Therapy Not Good For All That Ails Russia

By Peter Passell New York Times Service

tion of an otherwise distracted as the rise of Vladimir V. Zhirin-ovsky, Russia's 1930s-style bully

polls, Vice President Al Gore said. Boris N. Yeltsin's cabinet, was less Gorbachev's economists proposed the central bank, undercut the reshows that economic reformers diplomatic, The notion that shock a great lunge toward capitalism, formers' ambitious plans. have asked excessive sacrifice from NEW YORK - Startling events the already-humbled Russian have a way of focusing the atten- masses. Or, as Strobe Talbott, ambody politic, and few events in re-cent months have been as startling the first of Madinis V. Thing too little therapy."

ovsky, Russia's 1930s-style bully boy with a 1990s flair for television. Mr. Zhirinovsky's success at the Washington and Moscow. No won-der: It places the blame on the shoulders of ivory-tower theorists and callous technocrats rather than the people cominally in charge. The trouble is, says Stanley Fischer of Massachusetts Institute of Techoology, who served as chief ecooomist of the World Bank, it does oot square with the facts. There just hasn't been much shock."

Jeffrey D. Sachs, the Harvard University economist who advises the radical reformers in President

therapy has been tried and failed "is preposterous and false," be said. Economic shock therapy has become the treatment of choice for

ECONOMIC ANALYSIS

those who believe that rapid change is often less wasteful, less vulnerable to sabotage, and therefore more likely to succeed, than gradoal change. The evidence amassed in the shock therapists' end to hyperinflation in post-world War I Germany to the mass

But the Communist-domi

Soviet Union, when Mikhail S. tor V. Gerashchenko, the head of

ballasted by weighty sums of Western aid. But a true "grand bargain"

Mr. Yeltsin's government did eliminate most price regulation and then made a run at bringing down inflation in early 1992 by trimming the subsidies and central bank (particularly those related to

World War I Germany to the mass privatization of industry in the Czech Republic over the last year.

But the Communist-dominated parliament balked, and friends in the cabinet of the entremeded state Shock therapy came into intel- enterprises, notably Prime Minister lectual vogue in the last days of the Viktor S. Chernomyrdin and Vik-

a great lunge toward capitalism, formers' ambitious plans, The only changes of enduring consequence, Mr. Fischer notes, — Western gigabucks in return for a commitment to free up prices. discipline the budget, contain credit and encourage private enterprise — came only with the rise of Mr. that less than 20 cents on the dollar of the package promised at the-Group of Seven industrial nations' economic summit this year made it

through the bureaucratic sieve. The fact that oeither side delivloans that allowed big industry ered does not, in itself, answer the bitle shock therapy prove too much? Allowing the prices of staples to rise to free-market levels led to a one-time cut in living standards. Mr. Fischer acknowledged. But the

continuing pain for ordinary pos-See SHOCK, Page 11

popularizing the image of the market among the people and the institutions." division at Cresvale, an international financial services company that invested in the exchange early on but has since sold out as By Jane Perlez New York Times Service dence in the exchange was enhanced by the Polish Securities Commission, which deshares have gotten more expensive.

WARSAW - Wieslaw Rozlucki has a problem. The Warsaw Stock Exchange index has sourced 700 percent this year, and so Mr. Rozbecki, the president of what some financial analysts are calling the world's strongest performing market in 1993, is wondering how he can sustain the success. "Certainly no other market has done so well this year," Mr. Rozłucki said at the end

of a hectic trading day in a room that used to be the library in the Communist Party headquarters. "The question is: how long can it Of course success is relative, and the Warsaw exchange must be put in perspective. With only 22 listed stocks and total market capital-ization of about \$1.9 billion, some call it a

"pre-emerging" market. And the exchange is open only three days a week, although this will increase to four days next month.

"There are imperfections. It is tiny and illiquid," said David Roche, global strategist with Morgan Stanley & Co. in London.

But Mr. Roche is still a bull on Polish

stocks. He likes to compare the exchanges of Poland and China. "Emerging markets are all the rage, especially China." he added. "But often the most fashionable is not the most profitable." The Warsaw market began to attract the attention of Poles and outsiders this year for a number of reasons. Founded in April 1991, it became clear after two years of operation

that the exchange was well run. There is more depth of trading here than in the rest of Eastern Europe," said Allan Hirst, general manager of Clubank in Po-land. They have done a very good job of

mands high standards of prospectus informa-tion and has stiff disclosure requirements. Because of these requirements, the number of listed companies was smaller than they might otherwise have been, he said. On its busiest trading day so far, last Thursday, a modest 1.7 trillion zlotys (\$84.2

Polish Market Is Eastern Europe's Star

The Warsaw exchange, with its 22 listed stocks and capitalization of \$1.9 billion, has gained 700 percent in 1993.

million) worth of shares changed hands. The exchange also hit its record high that day, 12,106 points on the all-share WIG index, up 6.6 percent for the session.

Even those most bullish on the Polish market, like Mr. Roche, know it cannot keep on going up at the current rate. "It looks kind of expensive," he said. Indeed, prices have reached more than 32 times earnings on average, according to Remers.

When it started, the exchange was an immediate hit. The Poles were anxions to prime the capitalist pump, and the shares were offered at very good prices," said Paddy Shanahan, head of the European Equities

CURRENCY & INTEREST RATES

cial services company that invested in the exchange early on but has since sold out as

Also helping was the fact that Poland cot interest rates in February, prompting an in-creasing oumber of small investors to switch some of their saving deposits into shares.

The oumber of Polish investors has increased to 200,000, Mr. Rozlucki said, with an average of 10,000 to 20,000 transactions daily, far exceeding the 150 transactions daily

At the same time, foreign investors increased, drawn, in part, by oew stock flota-tions. By June, about 20 to 25 percent of the investors were foreigners, mostly investment funds interested in emerging markets.

Suzanne Patrick, a vice president of Arnhold & S. Bleichroeder Inc., a Manhattan securities firm, has been recommending the Warsaw exchange for about a year to investors "who want to be way ahead of the pack."

These days, she is recommending three stocks: Vistula, a clothing company, and Korsno, a glass manufacturer for the short term and Zwiec, a brewer, for the long term. "Our market is dominated by individual

shareholders who are mainly short-term speculators, and the institutional sector is very weakly developed," said Mr. Rozłucki, a former adviser to the Finance Ministry. "I don't think this is a positive state."

He said he hoped new listings next year — about eight in the first six months — would "calm down the market."

Reginald Dale is on vacation. His Thinking

Sets Up 2d Carmaker KUALA LUMPUR — Malaysia

Malaysia

launched its second car company on Monday, a joint venture with Dai-hatsu Motor Co. of Japan to make zippy, compact vehicles for Malaysia's rapidly growing middle class and increasingly affluent workers. "It will be affordable and eco-

nomical," said Prime Minister Mahathir bin Mohamad after he unveiled the name of the company. Perusahaan Otomobil Kedua Sdn.,

The first Perodua vehicles are to roll off the assembly line in July and go on sale in September, said Raja Mohar Raja Badiozaman, chairman of the company.

The car, to cost about 25,000 ringgit (\$9,500), is aimed at first car owners, motorcycle owners who want to upgrade, and families wish-

ing a second car, be said. The Perodua is the brainchild of Mr. Mahathir, who felt that Malaysia's first car, the Proton Saga, which was built in cooperation with Mitsubishi Motors Corp., had become too expensive for most firsttime car buyers, industry sources said. A standard, no-frills Proton now costs about 33,000 ringgit, compared with 19,000 when it was launched in 1985.

The new car will be built at a new plant in Serendah, a town near Kuala Lumpur, which will produce about 20,000 cars in the first year with an initial local content of 50 percent, said Perodua's managing director, Ho Tet Kheong. The plant has the capacity to eventually build

45,000 cars a year.

Malaysia's UMW Corp., which assembles Toyota vehicles for the local market, is the biggest stockholder in Perodua with 38 percent of the shares. Its Malaysian partners are Med-Bumikar Mara Sdn. with 30 percent and PNR Fourty with 20 percent and PNB Equity Resource Corp. with 10 percent. Daihatsu Motor has a 20 percent stake, its Malaysian subsidiary Daihatsu (Malaysia) Sdn. has 5

percent and Mitsui & Co. of Japan

has 7 percent Officials said the company, which has capital of 140 million ringgit (\$54.6 million), had no immediate plans to export the compact but this was a possibility for

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MARKET DIARY

Shaky Yen Allows Dollar to Advance

Compiled by Our Staff From Dispatches NEW YORK - The dollar currencies as the market focused on my around in the near term. The dollar closed at 111.45 year,

up from a close oo Thursday of It also climbed to 1.7010 Deutsche marks and 1.4435 Swiss francs

Foreign Exchange

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from 1.6935 DM and 1.4328 francs. Analysts said the dollar was lifted London, the region's largest market to its intraday high of 111.65 yen for foreign exchange dealings, was during the North American trading closed for an extended holiday. session as confidence in the coali tion government of Prime Minister disappointment over a lack of speoutlined by the prime minister.

limited to the yeo, which continues may cut key interest rates. to weaken across the board on a lems over fiscal policy," said a dealer at Banque Nationale de Paris. But be added that the dollar's

upward potential against the yen was limited by Japanese exporters, firmed Monday against most major and by market concerns following Treasury Secretary Lloyd Bentsen's last two comments on the yen. These the yen and fears that Japan would be unable to turn its ailing econogave the impression Washington might resume pro-yen comments to try to convince Japan to open its markets and boost its economy.

Trading was otherwise light and rates were locked in tight ranges as few market players undertook new positions during the holiday week. Analysts coted trading in Europe was minimal since most banks had only skeletoo staff working.

Traders said volume was unlikely to revive uotil next week, when Morihiro Hosokawa ebbed. Traders dealers will begin taking positions said the dollar had been buoyed by in advance of the Bundesbank's policy-making council meeting on cifics in the economic plan recently Jan. 6. As usual, speculation mounts ahead of each of those ses-"Any real movement has been sious that the German central bank

Against other currencies, the combination of poor technicals, dollar rose to 5.7955 French francs fuodamentals and political prob-from 5.7690 francs while the pound was quoted at \$1.5045, barely changed from \$1.5034. (UPI, Reuters, Bloomberg, AFP)

STOCKS: European Records

Continued from Page 9

France's CAC-40 index of bluechip stocks rallied for the fourth straight day to close at a record, with

prices boosted by hopes of lower interest rates next year, traders said. The index closed at 2,276.55 points, up 25.07. After a technical problem delayed the opening, vol-ume totaled just under 3 billion French francs (\$517 million), one-

N.Y. Stocks

quarter less than the average but not bad for a day when the British market was closed, traders said.

Mooday was the first day of the January account, and investors often huy stocks at the opening. Monday's huyers do not have to make full settlement until the end of January.

Rhône-Poulenc SA was up 3.4 francs, at 148.2, after the company said it would pursue its strategy of selling assets for the next year or two to cut debt and it would avoid major acquisitions. Analysts said the oews was likely to reassure those investors who were worried Rhone might go on an spending spree once its equity is owned by private investors.

Swiss shares closed at a record as investors kept faith in the strong Swiss franc and the positive latest ecocomic indicators, traders said.

The Swiss Market Index, which tracks the top 18 blue-chip stocks, advanced 5.20 points, to 2,972.60.

after the market closed.

Continued from Page 1 on Monday as a result of reports in Japanese oewspapers that Ford would be offering some

kind of help. The actual deal was announced

Mazda said in its announcement: "In order

to strengthen the competitiveness of each com-pany, Mazda and Ford have agreed that their cooperation should evolve from its present

form, primarily a project-by-project approach, to one with improved potential for long-term strategic planning and cooperation.

Evidently lacking this kind of planning in recent years, Mazda failed to come to terms

with Ford for joint production of autos in Europe. That left Mazda as the only major

Japanese auto company without a production

vestors look for a strong, stable cur-

rency in the holiday break.

The franc will keep its strong level because there's money flowing into Switzerland, with investors looking for stability and for tax reasons as well," said a Credit Suisse trader.

■ Dow Reaches a New High Blue-chip stocks broke into record territory Mooday amid a sense of optimism about the economy and strong overseas markets. oews agencies reported from New

The Dow Jooes industrial average, which slipped 4.47 poiots on Thursday, surged 35.21, to 3.792.93. That easily topped the record of 3.763.43, set Dec. 13. Solid gains in the Dow's cyclical, or ecocomically sensitive, compo-nents and its oil companies gave the key barometer a lift.

Oil issues, led by Chevron, Exxon and Texaco, were higher as the oil sector rallied after Oppenheimer & Co. upgraded its ratings on a num-ber of oil stocks. Atlantic Richfield rose 11/2 to 1051/4, Amerada Hess was up 1 to 45%, and Chevron was up to 88%. Texaco gained 1/2 to 641/2 and Exxon was up 1% to 64%.

Teléfonos de Mexico was among the actives, rising 1 to 66 after the Mexican telephone monopoly reported it had increased some rates 8.7 percent after approval from the Indonesia Fund Inc. jumped 6%

to 23%. The Indonesian govern-

expectations.

MAZDA: Japanese Automaker Says There'll Be More Ford in Its Future

ing. It also said that the goal was to use existing

plants and facilities more efficiently, rather than to expand or develop oew plants. In short, it was a manifesto for an era of diminished

Yoshihiro Wada, Mazda's president, sought to blum speculation about mergers or more extensive de-ups hy saying the new arrange-

ment would make the two companies more compective "while maintaining our respective identities."

The entire Japanese auto industry has been hit hard in the last two years by falling demand in Japan, which is in the midst of a deep.

EUROPEAN FUTURES Dow Jones Averages The Dow Daily closings of the Dow Jones industrial average Standard & Poor's Indexes **NYSE Indexes** NASDAQ Indexes NYSE Most Actives AMEX Stock Index **Dow Jones Bond Averages Market Sales** 7/10 67 12% 31/4 07% 42% 53/4 61% 61% 61% 10% + + + --+ N.Y.S.E. Odd-Lot Trading NYSE Dlary **Late Holiday Shopping** Clese Prev. 1257 635 635 2727 101 36 S&P 100 Index Options Rescues U.S. Retail Sales **Amex Diary** 1302 114: 602 6 203 14: Dec 15 Dec 34 Dec 55 Dec 31 Dec 34 Dec 35 NASDAQ Diary

Egypt, Yemen Support Output Cuts

Egypt and Yemen, two modest producers, said they were prepared to cut output to support proposals by Oman's oil minister, Said bin Ahmed al-Shanfari, who is on a tour of independent oil producing states.

\$14.13, oo the New York Mercantile Exchange. Prices were pressured by hat the American P inventory data for the week ended Dec. 17 to show a rise of 1.2 million

The statement on Monday added that the cooperation would be focused on the development of oew auto models and on manufacturof the market from the Japanese the old-fash-

and Japan. which is in the midst of a deep, stuhborn recession, and declining market share 1992.

ioned way — by producing better autos and marketing them aggressively.

larger Japanese companies because it expanded more energetically during the good times in the late 1980s. A huge new plant in Japan complet-

ed just a couple of years ago has never operated at capacity, and Mazda was forced to announce last year that it was abandoning plans to intro-duce a luxury line, to be called the Amati.

The search for cash to bolster its sagging fortunes led Mazda to sell — to Ford, for \$380

Mazda has been hurt worse than some of the

CAIRO — Oman on Monday scored the first successes in its campaign to win support from non-OPEC oil producers for cuts in production to

Still, crude oil for February delivery fell 35 cents a barrel, to close at

dex was likely to be upward because of the strong franc and the prospect of interest-rate cuts early next year.

They added that many foreign in
ment said seven blue-chip companies, including four in the hotel industry, reported record profits for 1993.

(Reuters, UPI, AP, Bloomberg)

New York Times Service NEW YORK - When U.S. retailers locked their doors Friday evening after a 29-day holiday season that hegan the day after Thanksgiving, many were relieved that a late surge of shopping pro-

Financial

GILT (LIFFE) - pls & 32mds of 100 pct

LOW Class

duced modestly respectable sales. "It was explosive the last few days before Christmas," said Walter F. Loeb, a retailing consultant. "Cus-tomers were rushing to the stores."

Rough estimates of year-to-year

30 years in the retailing.

increases in holiday sales provided by store executives ranged from 7 to 9 percent at Sears, Roebuck & Co. to 2 to 3 percent at Federated Department Stores Inc.

INITIAL

BRENT CRUDE OIL (IPE)

Stock Indexes

But even where sales were strong, they were not always easily achieved. Mr. Macke said he had never seen so much pre-Christmas price-cutting and promotions, which cut into profit margins, in his

Hotel Adds to Host Marriott's Woes

WASHINGTON (Combined Dispatches) - Host Marriott Corp. has disclosed that it seized a 28.6 percent interest in the Marriott Marquis hotel. in New York City after a former pariner defaulted on a loan related to the hotel company. Host Marriott, which started off with \$2.2 billion in debt when it was

sown off from Marriott Corp. in October, disclosed in a filing with the Securities and Exchange Commission that it seized the stake after the Atlanta real estate developer John Portman defaulted on a loan related to the landmark atrium hotel. The news came as Marriott disclosed that it was planning to offer

about 17.5 million shares of common stock, as early as mid-January, to raise up to \$151 million. Proceeds will be used to buy hotels or for general corporate purposes, the company said.

Beatrice Holders to Sell Shares

WASHINGTON (Bloomberg) — A group of TLC Beatrice Interna-tional Holdings Inc. shareholders has filed with the Securities and Exchange Commission to sell as many as 1.69 million common shares. Exchange Commission to sell as many as 1.69 million common shares.

A TLC Beatrice spokesman said Monday that he thought the registration was part of a shareholder campaign to bring Beatrice public. In late September, a group of shareholders lamnched a campaign to force the company to go public and also protested Beatrice's interest in buying the Balimore Orioles baseball team.

The spokesman said that Beatrice had agreed under its 1987 acquisition by TLC Group L.P. to list its shares with the SEC if 25 percent of the minority shareholders requested such action. In general, registering shares with the SEC allows the public to purchase them, but the TLC Beatrice shares will likely be available only to institutional holders and not individuals, the spokesman said.

TLC Beatrice, which is closely held, is one of the world's largest producers of desserts, snacks, beverages, ice cream and other grocery

producers of desserts, snacks, beverages, ice cream and other grocery products with operations primarily in Europe.

Chrysler Sells 2 Million Cars

HIGHLAND PARK, Michigan (UPI) — Chrysler Corp. reported Monday it had sold 2 million vehicles this year, a mark it last achieved on

the last day of 1989. The automaker said it would have a market share this year of 14.5 percent, well above the 13.1 percent it held in 1992, and its best figure since 1970, when it had 14.8 percent of the market. The company's best U.S. market share came in 1968, when it hit 15 percent.

Saudi Pays U.S. to End BCCI Charge

NEW YORK (Reuter) - A Saudi Arabian financier and his associate have paid \$225 million as part of an agreement with U.S. authorities to dismiss charges that they conspired to steel over \$300 million from depositors in the failed Bank of Credit & Commerce International.

Under the settlement, announced Monday by the Manhattan District Attorney's office, the payment was made on behalf of Sheikh Khalid bin

Mahfouz, former chief operating officer of the National Commercial Bank of Saudi Arabia, and Haroon Kahlon, a former bank executive.

Weekend Box Office:

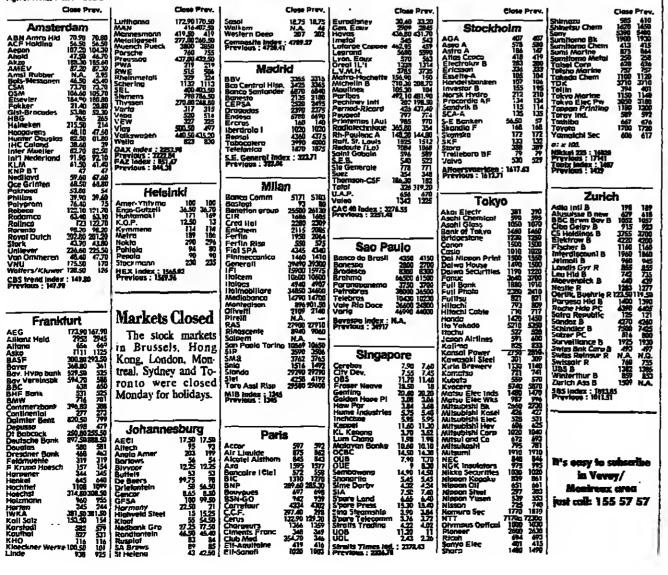
The Associated Press LOS ANGELES — "The Pefican Brief" topped the Christmas week-end boxoffice, earning an estimated \$9.8 million. Following are the Top-10 moneymakers based on Friday licket sales and estimated sales for Seturday and Sonday.

í	L. The Policon Brist	(Worner Brothers)	99.B million
	2 "Mrs. Doubliffre" . "	Clotti Century Food	*\$7.9 million
٠	2. "Tombalone"	· (Hollywood Pictores)	\$7.5 milition
	4. "Beethquen's 2nd"	(Universal)	\$5.5 milition
	S. "Stater Act 2".	(Touchstone Pictures)	\$6.2 million
	6. "Grumpy Old Men"	(Worner Brothers)	SSA million
	7. Wayne's World 2	(Pararoaust)	SILE million
	. 8. "Geronimo"	(Columbia Pictures)	\$1.7 million
	9. "Schinder's List"	(Universal)	\$1.5 m00on
	10, "The Plane"	(Miromax)	#1.2 million
			·

U.S. FUTURES

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Spanish Rates To Fall in '94 If **Europe Permits**

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MADRID — Spanish interest countries," Mr. Solbes said. rates will fall in 1994 but the extent He said the economy would of the drop will depend on the evolution of inflation and shortterm rates in the rest of Europe, the minister of economy and finance. Pedro Solbes, said Monday.

"A further reduction in interest rates in 1994, will be intimately connected, in addition to the inflation trend in our country, to the

East German **Output Rises**

AFP-Extel News BONN - East German in-

dustrial output rose 7.5 percent in October from September and was 15.6 percent higher than a year earlier, the Eco-nomics Ministry said Monday. In September, industrial output had showed a 11.5 percent

increase from August and was up 9.2 percent from a year ago. The ministry, which said the improvement reflected a "significant increase in East German industrial activity," attributed the October rise to a 14.5 percent month-to-month rise in mining industry output, a 15 percent rise in construction and

a 23.5 percent rise in gas and

electricity output.

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He said the economy would ben-efit in 1994 from the rate declines seen in 1993, the structural reforms

being implemented by the govern-ment and a better outlook for the international economy. Mr. Solbes repeated a forecast of 1,3 percent growth in gross domestic product in 1994, with 1,2 percent of the economic growth com-

ing from external demand and 0.1 percent domestically driven.
While Spain's benchmark marginal interest rate on securities repurchase certificates, now 9 percent, has fallen 4.75 points this year, it is

one of the highest in Europe. Mr. Solbes said that keeping in flation under control would be a key part of economic policy in 1994. Spain's annual inflation rate is expected to be 4.7 percent at year-end, up from government's prediction of 4.5 percent.

Mr. Solbes said the government would freeze wages in the public sector in 1994 and still wants to see a three-year wage pact in the private sector that would allow a drop in

purchasing power of five points.

He said the government would support any initiative by unions and managements of companies on a wage agreement but added that such a move would be better coordinated with the government.

Mr. Solbes said the Spanish gov-

ernment would also seek to maintain the stability of the peseta in the coming year. (AFX, Bloomberg)

German Stocks Stay Strong DAX Is Seen Gaining 10% to 15% in 1994

Norbert Bart, an equities analyst at Société Générale, said:
"It's inevitable that German in

terest rates will continue to fall, and this will be the driving force

behind the stock market rally in

Merrill Lynch & Co.'s chief int-

the first few months of next year."

ernational equity strategist.

'Next year will

be a year for

Klans Holschuh,

securities trader.

Commerzbank'a chief

Thomas Robinson, said while the

German stock market is "probab-

ly the most unattractive in Eur-

ope" as far as price/earnings ran-os are concerned, U.S. fund man-agers will continue to invest in it

strongly as long as the Bundes-

bank keeps easing interest rates.

The market is expected to con-

pected to step into the limelight

in anticipation of an economic

The Ifo institute for economic

research has forecast Germany's

gross domestic product will grow

1.5 percent in 1994 after con-

Extensive cost-cutting mea-

sures introduced this year are ex-

pected to show a marked impact

on corporate earnings by mid-

1994, analysts said.

tracting 1.5 percent this year.

upturn, analysts said said.

stocks.

By Sarah Utley

AFP-Extel News
FRANKFURT — German stock prices will rise to record levels in 1994 as the recent rally persists, though at a moderate

pace, many analysts predicted.

They forecast the DAX index of 30 leading shares would hit 2,500 or 2,600 by the end of next year as a result of high liquidity, expectations of falling domestic interest rates and hopes for a clear economic upturn.

The promise of rate cuts, which was largely fulfilled, helped boost the DAX index by 45.9 percent so far in 1993, to a record close of 2.253.98 on Monday.

Although uncertainty surrounding Germany's legislative elections next year may disrupt the upward trend temporarily. cash-rich foreign and domestic funds are still underweighted in German stocks and will quickly re-enter the market once they think it looks cheap, analysts said.

"Next year will be a year for stocks," said Commerzbank's chief securities trader, Klans Holschuh, noting that against a backdrop of declining interest rates, investors will increasingly switch out of bonds into equities.

The Bundesbank is expected to pursue its policy of gradual rate cuts in 1994. Many econo-mists forecast the discount rate will fall as low as 4.0 percent by year-end from 5.75 percent now.

Analysts agreed that interestrate sensitive stocks such as banks and insurers would lead the gainers in early 1994.

Commerzbank said a survey of about 170 publicly traded German companies showed profits were expected to grow by an average of 26.9 percent in 1994 after

declining 12.6 percent this year. Mr. Bart said January and February would be strong months for the German stock market as insurance companies will want in invest premium income received at the beginning of the year. The DAX could push to around 2.300 in this period, he said.

Gerhard Grebe, an equities analyst at Bank Julius Bar, said the "jitters will start in the spring," as Germany's state elections and the annual earnings

season get under way.

Mr. Grebe sees the DAX index consolidating in the March-June period.

By summer, the market will be looking for concrete signs of a clear German economic turnaround. There is a danger that the transition from an interestrate driven market to an economy-driven market may not be a smooth one," Mr. Grebe said.

solidate in the spring with the start of Germany's state elec-tions, and then cyclicals are ex-If the German economy does fulfill investors' expectations, then the DAX index will probably rise as high as 2,400-2,500 by year-end, he said.

Jörg Grünberg, head of Com-merzbank's equities department, said that as the recovery gets under way, cyclicals and profit-sen-sitive industrials such as cars and metalworking stocks will be among the strongest performers.

DG Bank said the DAX has upward potential to 2,600 by the end of 1994.

Gén. des Eaux Lifts Stake in FNAC to 34%

PARIS — A real estate unit of Compagnie Générale des Eaux SA. the diversified water company, said Monday it would pay 405.5 million francs (\$70 million) in raise its stake in FNAC to 34 percent. FNAC is France's biggest combination retailer of books and com-

pact disks. The Generale des Eaux unit, Compagnie Immobilière Phènix, now holds a 17.7 percent stake in FNAC. Phenix and Altus Finance, a unit of Credit Lyonnais that is the majority shareholder in FNAC. agreed last summer that Phenix could increase its FNAC stake to a

maximum of 34 percent by the end

of the year. Altus will retain a ma-

jority stake in the retailer. The transaction is set to take place later this week, when FNAC resumes trading on the Paris cash market. Phenix said it will turn over its FNAC shares to Generale des Eaux early in 1994.

"The question is what the two groups plan to do with FNAC now," said Patrick Jousseaume, an analyst at the Ferri brokerage, referring to Générale des Eaux and Crédit Lyonnais. "One tends to wonder whether this is merely a financial maneuver and they plan to sell it, or if they have real plans for FNAC."

Press reports have said Générale des Eaux and FNAC represent a natural match, on the basis of a 20.4 percent stake Générale des Eaux holds in the pay-television station Canal Plus and FNAC's cultural products. The reports also say FNAC could provide a distribution network for Generale des Eaux's growing line of telecommunication products, such as mobile telephones.

Investor's Europe Paris GAC 40 Frankfurt FTSE 100 Index 2330 3400 -2200 2100-3100 2900~ 3000 Monday Prev. Exchange Change +1.28 149.80 147.90 CBS Trend 7,449.28 Stock Index 2,253.98 2 222 84 Frankfurt 851.67 Frenkfurt FAZ 1,569.96 -0.31 Helsinki HEX 2 549 40 London 3,396.50 FTSE 100 : ... London General Index 323,71 322,06 Madrid 1,345.00 1,345,00 Unch. 2,243.02 +1.49 2,276.55 CAC 40 . Paris 1,617,63: 1,612.71 Affaersværiden Stockholm 482.12 475.00 Stock Index Vienna 1,013.85 - 1,011.51 +0.23 SBS

Very briefly:

• Sachsenring-Automobiltechnik GmbH, the plant that made the Trabant, was bought for 8 million Deutsche marks (\$4.7 million) by two West German brothers who plan to make electric cars there.

 Deutsche Bundespost Telekom and Société Européenne des Satellites, operator of the Astra satellite, plan a joint venture to develop the digital transmission of satellite and cable TV and radio services; SES said the German company would also take a stake of around 15 percent in it.

 Maley, the Hungarian airline, is expected to post a loss of ! billion forints (\$10 million) this year, the daily Nepszabadsag reported; the loss is partly due to the forint's devaluation, which made a loan for the purchase of aircraft more costly.

 Elf Aquitaine and Hunt Oil Co. have resumed oil prospecting in eastern Niger after a year's halt to operations.

• The French federation of insurance companies said damages payments after natural catastrophes in France in 1993 would be "well above" 2 billion francs (\$346 million).

· Pechiney SA said it had not ruled out closing the Lannemezan and Auzat plants in the Pyrenées if the aluminum market doesn't improve. UPI, AFX, AFP

CCF Sues London Borough VIACOM: New Bid a Tough Call SHOCK: A Partial Treatment **Over Interest-Rate Swaps**

PARIS - A French bank said on Monday it was suing the London borough of Hammersmith and Fulham, alleging frand in the latest twist of a saga in which dozens of

banks lost up to \$900 million. A spokesworman for Credit Commercial de France said the move followed a decision by the English Court of Appeal this month to up-hold a High Court order that another London borough, Islington, pay £1.14 million (\$1.7 million) to Ger-She refused to say how much was rates they were receiving.

being claimed by CCF, which has played a leading role in five years of battles with British councils and the courts over interest-rate swaps.

Bankers said the swaps problems cost about 80 international banks around £600 million (\$900.1 milish local authorities made millions by agreeing to pay banks variable market interest-rate payments in return for a fixed-interest income an interest rate swap. But the councils subsequently lost money when many's Westdeutsche Landesbank. market rates rose sharply above the

Continued from Page 9 Monday they fell 25 cents, to \$46.50, in late trading.

Paramount's stock fell 62.5 cents, to \$78, on Monday and QVC's stock lost 75 cents, to \$39.25, movements that seemed to show investor doubts over Viacom's chances of putting together a new, higher bid.

In any new investment, Blocklion). During the 1980s, many Brit-buster or Nynex may want a lower conversion price, an arrangement that would dilute Viacom's stock, several analysts said. Blockbuster and Nynex may also want more control of Viacom; but Mr. Redstone has voting control and is rehictant to give it up. Mr. Redstone could also turn to

banks, which have agreed to lend Viacom \$3 billion. Mr. Londoner of Wertheim Schroder said he believed that with the cash flow from a combined Viacom and Para-mount of \$1.1 billion, Mr. Redstone could borrow more money.

Another option for Mr. Red. ure to stop inflation. stone would be to obtain financing from National Amusements, a company he controls.

With the Jan. 7 deadline for another Paramount bid nearing, one person close to Viacom said "moncy is not the issue." He said the question was whether Viacom wanted to go forward given how costly the purchase of Paramount had become.

Continued from Page 9

ple, be said, the destruction of private savings and the bewildering scramble for personal security in the teeth of "one of the great in-come redistributions in history." have largely been results of the fail-

Even those who favor a gradual approach agree that the United States has muddled the story: "Shock therapy was only applied for four months," says Padma Desai, an economist at the Harriman Institute of Columbia University.

Most frustrating to the shock therapists is what they see as the nonstrategy behind the White House's response to the Zhirin-

ovsky "wake-up call." It sounds fine to settle for a little less shock, but that does not translate into a policy, Mr. Sachs said.

If some good is to come from the U.S. administration's belated discovery that a failed Russia may still prove a malevolent force, Mr. Sachs suggested, time is of the essence. At the top of his to-do list is a recommitment to past agreements, with Mr. Yeltsin's government hunkering down on inflation in return for sufficient help from the outside to finance a social safety net for retirees and the memployed, convert salvageable military industries and provide the from 11.1 percent; Britain, to 10

Fewer Jobless in 7 OECD States

PARIS - Unemployment fell in November in seven of the 24 mem-ber countries of the Organization of Economic Cooperation and Development, the organization reported Monday.

Among the countries in which joblessness receded in November from October, the OECD report said, were Australia, to 11 percent start-up capital for thousands of percent from 10.2 percent; Canada, to 10.9 percent from 11.1 percent;

Sweden, to 8.4 percent from 8.5 percent; and the United States, to 6.3 percent from 6.7 percent. Supplementary figures for the previous month showed that unemployment had risen in October by an average of 0.1 percentage point in all OECD countries to reach 8

percent of the work force. Average unemployment in Octo-ber 1992 in OECD member countries had totaled 7.5 percent. Average unemployment in European OECD members remained stable at 10.9 percent in October.

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ADVERTISEMENT INTERNATIONAL FUNDS

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere Via The Associated Press

AS - Australian Dollars; AS - Austrian Schlängs; BF - Belgian Francs; CS- Canadian Dollars; DM - Deutsche Marks; ECU - European Currency Unit: FF - French Francs; FL - Dutch Flonn; Lif - Italian Lira; LF - Luxembourg Francs; p-pency; Pas - Pestas; SGS - Singapore Dollars; SF - Singapore Tollars; Y - Yen; a - asked - - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; p - New; S - suspended; SiS - Stock Split; - Ex-Dividend; " - Ex-Rits; - © Offer Price Incl. 3" profilm, charge, - - Parts exchange; -- Amsterdam exchange; e - misquoted earlier; x-not registered with regulatory authority. P; Middle of bid and offered price.

CHIPS: Japan's Output of Consumer Electronics Is Shrinking Rapidly

Continued from Page 1

panies battered by the economic slump at home, market saturation for such leading products as color televisions, compact-disk players, videocassette recorders and others, the rise of the yen and competition from abroad.

Although consumer electronics suffered the copiers, calculators and components also fell in 1993.

Overall, it is estimated, Japanese output of electronic equipment and components dropped 5.9 percent in 1993, the second consecutive decline, to 20.94 trillion yen. The preliminary figures are often revised later.

About the only bright spots were increases in production of liquid-crystal display screens and computer chips to feed a boom in personal computer sales in the United States.

The industry association projected that total electronic output would inch up by 0.7 percent in 1994. But even that estimate may be optimistic. The association also predicted gains in output in the previous two years.

The fall in electronics production has led to sharply lower earnings or losses at virtually all

Japanese electronics companies. Most of those are cutting their payrolls by thousands of employees, though they are trying to avoid outright layoffs. Some factories have been closed. Some of the problems plagning the industry, such as the strong yen and a lack of standout products, will continue even after the economy

The rise of the year this year against the dollar and other leading currencies accelerated the shift to offshore production. In 1993 for the first time, Japan imported more color television sets, mostly from Japanese owned factories in Southeast Asia, than it exported.

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Shanghai Opens Yuan Business to Foreign Banks

But Western and Japanese bank

ers said the change could potential-

ly mean a great expansion of their

existing trade financing and corpo-

rate loan activities, now conducted

Joint ventures with foreign par-

ticipants need yuan loans for work-

ing capital or to import equipment.
(UPI, Reuters)

China to Intervene

On Currency Level

BELJING - China's top curren-

cy policymaker says Beijing will intervene on currency markets and clamp down on unofficial money

changers to keep the youn stable

during its float next year, the China Business Times reported Monday.

Yang Gonglin, policy director at the State Administration for Ex-

change Control, told the paper it was "extremely important" to sta-

bilize the yuan after its official ex-

change rate is abolished and cur-

ministrative measures to prevent

abnormal fluctuations on the mar-

ket, intervene to a certain degree,

strictly forbid off-market ex-

black market," Mr. Yang said.

changes and crack down on the

"We will take economic and ad-

rency markets set a single rate.

exclusively in hard currency.

BELING In a long-awaited breakthrough for foreign banks, Shanghai will let five of them do some business in Chinese currency next year, a banking official has

Citibank, Hongkong & Shanghai Banking, Corp., Dai-Ichi Kangyo Bank, Credit Lyonnais and Bank of Tokyo Ltd. will become the first foreign banks allowed to conduct business in yuan, also called ren-minbi, since the Communists swept to power in 1949, the official told the English-language Shanghai Star.

"We will try to open, with re-raint, renumbi business to overseas financial institutions next year," Mao Yingiliang, president of the People's Bank of China Shanghai branch, was quoted as saying in the paper's weekend edition.

Foreign banks are now restricted to hard-currency operations, and concentrate on the mushrooming number of joint ventures along the

It was not clear whether cities other than Shanghai would open yuan business to foreign banks.

- - Far 2.2.

Trouble

WHITE CANADA SHEET

The move will not give foreign banks access to retail banking in Shanghai — an attractive prospect given the high rate of domestic savings — since they are not allowed to establish a branch network.

Banking Fortress Besieged **Manila Tries to Crack Domestic Cartel**

MANILA - For nearly half a century, the Philippine banking industry has been the domain of the country's elite, an economic fortress protected from foreign competition by government regulations.

Now President Fidel V. Ramos is trying to

admit more foreign banks, over resistance from local bankers. The battle over banking liberalization has emerged as the most important test yet of Mr. Ramos's plans to deregulate industry and break up cartels run by the country's big families. It is also seen as a critical step in an effort to shrink the economic gap between the Philippines and its vibrant neighbors in the Association of

Southeast Asian Nations, all of which have more liberal foreign banking policies. "To my mind, the country's banking system has been the cause of Philippine underdevelopment," said Ed Morato, a professor at the Asian Institute

of Management in Manila. "Basically, it's a cartel run by men who want to make sure that the profits stay within the system."

Since the enactment of the 1948 General Bank-

ing Act, only four foreign banks have been allowed to operate in the Philippines: Citibank, Bank of America, Hongkong & Shanghai Banking Corp. and Standard Chartered Bank. Thirty-two domestic banks control about 85 percent of total assets. By comparison, Indonesia bosts 40 foreign banks, Singapore 36, Malaysia 16 and Thailand 14.

The 1948 law also limits those four banks to three

branches and restricts foreigners to ownership of no more than 40 percent of local instimtions. Government protection has allowed a handful

of families to control the financial system, and use it to build huge conglomerates benefiting from cheap loans, banking analysts said.

cheap loans, banking analysts said.

The results, according to critics, are mammoth profits for the banks, high borrowing costs for small and medium-sized businesses and poor service.

The Philippine banking industry is the second-most-profitable in the region, after Indonesia's, according to a study by the Center for Research

and Communication. Local banks have a return on equity of 31 percent, compared with 21 percent in Singapore and 13 percent in Malaysia.

Moreover, the study found that the interest spread - the difference between banks cost of

money and what they earn from loans - rose to money and what they earn from loans — rose to 7.2 percent in 1990 from 0.83 percent in 1982.

The public is fed up, and in government and business circles, a consensus has emerged that the banking system is hobbling growth. The fight is over how wide the doors should be thrown open.

CW-1 The stage for the banking battle is Congress, where two versions of a liberalization bill are pending. The key issue dividing local and foreign.

pending. The key issue dividing local and foreign banks is the amount of capitalization that will be A restrictive Senate version, which is supported by the Bankers Association of the Philippines, would force foreign commercial banks to put up 750 million pesos (\$27.2 million), the same amount required of local institutions. It would also limit

foreign banks to three branches. The House version of the bill, which is supported by the foreign banks and several business orga-nizations, would put the capitalization requirement at 125 million pesos per bank. It also would allow foreign-owned banks to incorporate locally or engage in joint ventures where foreign capital

would account for 75 percent of total capital. Supporters of liberalization cite the dramatic increase in total assets within the banking system and improved growth rates in countries that have

eased the entry of foreign banks.

For example, assets in Indonesia's banking system jumped to \$74 billion in 1991 from \$20 billion in 1981. In Thailand, assets grew to \$80 billion from \$19 billion in that period. In Malaysia assets, soared to \$50 billion from \$21 billion. Assets within the Philippine banking industry, however, crept up to \$23 billion from \$20 billion.

Foreign banks would be a vital conduit for attracting foreign investment needed to rebuild the country's infrastructure, banking analysts said.

Seoul Eases Rules on Investment

SEOUL — South Korea freed conglomerates from old restrictions on buying shares and land on Monday as President Kim Young Sam called for "bold deregulation" to prepare local companies for competition after the Uruguay Round of talks under the Ger Agreement on Tariffs and Trade.

The Ministry of Finance announced that as of Jan. 20, all bin the 10 biggest of the country's 30 largest business conglomerates would be free to buy shares of other companies and real estate.

Currently, all 30 top conglomerates have had to sell shares or real estate in order to buy new stock or property, or face credit cut-offs by local banks, which are tightly con-

trolled by the government.

The Ministry of Finance said the conglomerates concerned would also be allowed to invest in properties, including golf courses and ski slopes, that have so far been out of their reach because of a government policy against land speculation.

But the big companies, known as chaebols, will continue to be banned from borrowing money from banks to buy real estate. which government authorities regard as speculative investment. For the top 10 conglomerates, the

restrictions on buying shares and property will remain until 1996. The restrictions were imposed in 1974 in an effort to curb the concentration of economic power in the hands of chaebols and damp land speculation led by them.

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Very briefly:

Taiwan Aerospace Corp. will reopen negotiations with British Aerospace PLC in January on a suspended joint venture valued at \$775 million to assemble regional jets, the China Times reported.

• Kirin Brewery Co. employees were found guilty of paying over 30 million yen (\$270,000) to keep racketeers from disrupting an annual stockholders' meeting, a court spokesman said.

South Korea's two-way trade with North Korea in the first 11 months of this year totaled \$185 million, down slightly from \$199 million during the same period last year, government officials said Monday.

• China's foreign trade will reach \$192 billion this year, an increase of 11.7 percent over 1992, with imports rising by more than a quarter, predicted Foreign Trade and Economic Cooperation Minister Wu Yi.

Japan Data **Show Economy** Is Still Weak

Compiled by Our Staff From Dispatches TOKYO - In the latest indication that Japan's economy is still stuck in low gear, the government said Monday that industrial production rose 1.8 percent in November from October but dropped 3.6 per-cent from November 1992.

Since the index hit a record low in October, November's slight month-on-month rise. does not hint at economic recovery, economists said.

Koichi Yoshimoto, an official of the Ministry for International Trade and Industry; said, "There is nothing positive to show that demand will increase."

MITI also said that Japanese consumers, worried about job and pay prospects, spent 6.9 percent less at department stores and supermarkets in November than Continued from Page 1

Libya supported terrorism, announced the

But some of its work was picked up by Price Brothers (U.K.), the company's small British subsidiary.

Brothers, said the British operation got the work on its own and had been working on work with Libya? Or to share new technol-

the project before sanctions were imposed. Still, he acknowledged, the enforcement of U.S. sanctions, where it involves companies in Libya, has been loose.

"A lot of people created foreign subsidiaries in the one month between the time the Reagan administration declared sanctions and the time they went into effect," he said. Coastal Corp., a Houston-based oil exploration company, has used a subsidiary based in Bermuda to go into business with Libya in an oil refinery in Germany.

Coastal has been under federal investigawhether executives of the parent company are themselves involved in the German project, which would be against the law.

Officials of these companies said they did not believe they were violating the spirit of sanctions by doing business with countries the United States declares to be hostile to it. But some said the legal loopholes raised own."

Own."

The best recent estimate of the American Concluded that the Geneva subsidiaries of Ranca Lavoro's Atlanta office has told investigation, and that its American Companies were constant with Cuba.

To OUR READERS IN VEVEY/MONTREUX AREA

TO OUR READERS IN VEVEY/MONTREUX AREA

In 1991, subsidiaries of American companies were doing at least \$266 million of trade with Tripoli.

In 1991, subsidiaries of American companies had more than \$700 million of trade with Tripoli. tion for more than three years, according to law enforcement officials. But investigators

Law enforcement and intelligence officials said they believed that many executives of American companies did control the actions of their subsidiaries. But they said murky federal rules made it difficult to build cases. Brad Evers, general counsel for Price Is it illegal, for instance, for the top executive

> "We tell our people that if the subsidiary calls with a question about the Libya con-tract, just slam down the phone." Edward Dyson, a Washington lawyer who has advised Price Brothers and other companies,

R. Richard Newcomb, the senior Treasury Department official in charge of enforcing sanctions, said be could not comment on specific cases, including Cargill's. "But forgetting about Cargill or any case,"

he said, "the U.S. parent may not be involved in any part of the transaction. It is clear. The subsidiary has to be acting totally on its

SANCTIONS: U.S. Companies Use Overseas Subsidiaries to Evade Washington's Strictures tigators that the transaction was directed by questions about the effectiveness of sanc- with Cuba, according to the Treasury Department. The amount has dropped signifi-cantly since then, officials said, because the Cuba Democracy Act, passed in 1992, for-bids even subsidiaries of American compa-

nies to do business with Havana. International sanctions, such as the United Nations' embargoes against Iraq, are difficult to evade because so many countries honor them. But the sanctions against Cuba, Libya, Vietnam and North Korea are im-

posed by the United States alone, The Cargill inquiry shows that it is not easy to make cases even when there is ample evidence that American executives are involved.

Documents examined by The New York Times - including the same records available to prosecutors - show significant contact between Cargill and the Swiss subsidiary, Cargill International, that was involved

in the Cuban sugar deal.

A Cargill trader helped the company's Swiss subsidiary get financing from the Atlanta branch of Banca Nazionale del Lavoro,

executives at Cargill's headquarters in Minnetonka, with the Swiss unit acting as a front to evade sanctions.

A Cargill spokesman declined to make any detailed comment.

But in a statement to The Times, Cargill said it had done nothing improper and that it was cooperating with the inquiry.

It added that it had received a special U.S. license permitting the 1988 Cuban sugar sale, as required by the laws in force at that time. But the license said specifically that U.S. executives would not be involved in the

Privately, the company's lawyers have told the government that overseas trade is complex, involving many steps, and that it would be impossible for American executives not to play some role in aiding foreign operations.

Cargill's lawyers have not denied accounts of the roles of its executives. But in hundreds of pages of legal arguments, they have con-tended that the Geneva subsidiary dominated the transaction, and that its American

Rothmans Expands in Asia

Bloomberg Business News

HONG KONG - The British cigarette company Rothmans In-ternational PLC has signed an agreement with the American Toacco Co. to distribute cigarettes under the Carlton and American trademarks in Japan, its Hong Koog-based subsidiary Rothmans (Far East) said Mooday.

The 25-year agreement gives Rothmans Japanese venture Rothmans Marubeni Tobacco Corp. the sole use of American Tobacco's two trademarks in Japan.

Rothmans also confirmed recent reports that a unit of its Singapore subsidiary, Rothmans of Pall Mall (Singapore) Ptc., has entered into a joint venture to manufacture and sell cigarettes in Burma. Rothmans Myanmar Holdings

Pte, will take a 60 perceot stake in the venture and The Union of Myanmar Economic Holdings the rest. The agreement is scheduled to last for 30 years and production is due to start in early 1995.

Rothmans will manufacture some of its trademark cigarettes

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UPDATING METHODS AND PRODUCT MIX

century; Vasco da Gama, who traveled there in the late 15th century; and the British, who ruled India from the 17th century into the 20th century, have in common? They all extolled the quality of India's tex-

Today, India is the world's second-largest producer of yarn and cloth and the fourth-largest producer of cotton. Yet despite these accomplishments. India's textile industry has failed to capture a dominant share of the global textile market. Textile exports from India have grown by 35 percent during the past five years, to total around 25

Assets include ample supplies of cotton

percent of the country's total export earnings of \$19 billion. But India is facing increasingly stiff competition, even from smaller countries like Bangladesh and Sri Lanka

The Indian textile sector has 17 percent of the world's spindle capacity, but India's share of the global textile market is only around 2.5 percent. Hrishikesh Mafatlal. head of Mafatlal Industries and chairman of the Bombay Mill Owners Association, explains the reason for this discrepancy: "Only 20 percent of our machines are less than 10 years old, whereas in most other countries, around 70 percent of the machines are less than 10 years old,"

Much of the failure of India's textile industry to achieve its potential has been ascribed to restrictive government policy in the past. Among the criticisms leveled against the government concerning textiles are that it instituted laws that discouraged the growth of large companies in favor of smaller ones, prevented layoffs, imposed restrictive import duties on textile machinery and did not encourage the growth of textile exports. Incentives and protection offered to the country's hand-loom companies have also been criticized.

Efforts are now under way to modernize the industry by upgrading equipment, restructuring the sector as a whole and promoting the growth of textile exports.

India's textile industry has traditionally been composed

of three different types of companies: large textile mills. smaller companies that use both power looms and hand looms, and still smaller companies producing garments and household textiles.

The large textile mills, which total just over 1,000, employ around 7 percent of India's textile workers and account for around 18 percent of India's fabric production. These mills, many owned by the government, had garnered around 78 percent of the domestic market in the 1950s but have been steadily losing ground in recent

This advertising section was produced in its entirety by the supplements division of the International Herald Tribune's advertising department. It was written by Debashis Basu, a free-lance writer based in Bombay where he is a consulting editor for Business Today.



Weaving fiber into fabric: New government policy will ease the process of upgrading equipment.

years, at the rate of around 15 percent of market share per year, according to Sri Ram Khanna, a textile industry an-

A lack of modern equipment, added to labor unrest and the effects of global recession, caused many of the larger textile companies to experience severe problems during the 1980s. At that time, many were taken over by the govemment and controlled by the government-run National Textile Corporation (NTC). NTC has now accumulated losses of almost \$1 billion and is a major stumbling block in the government's efforts to promote the growth of India's private sector.

The larger companies have seen their market share eroded by smaller power-loom and hand-loom textile companies. These companies now produce 80 percent of India's fabrics and employ 80 percent of the country's textile

Of this group, some 300,000 companies using a total of I million power looms and employing a third of the textile work force are now producing 54 percent of India's total textile output of yarns, garments and fabrics, according to Mr. Khanna. The sector has been criticized, however, for its overall lack of sufficient quality control.

A diverse group of companies use only hand looms, which have been part of India's culture for centuries. The government has been keeping this part of the sector afloat by exempting it from sales and excise taxes, limiting 22 textile products to production by hand looms alone, guaranteeing government purchases of some goods and pro-

viding a distribution network. The sector is widespread, fragmented and economically vulnerable.

Garment production forms the third major division of India's textile industry. This sector began to grow in the 1940s, producing military uniforms used during World War II. It received its biggest boost in the 1980s, according to Mr. Khanna, through increased export opportunities and a growing domestic market.

Government policy has limited the garment sector to small-scale companies; 80 percent of them run fewer than 20 machines.

These three divisions of India's textile industry have all failed to modernize their equipment and production methods adequately, largely because of the high costs of importing equipment,

According to Mr. Khanna, more than 60 percent of the . equipment being used throughout the industry dates from before 1960, providing a great opportunity for foreign producers of textile equipment to help upgrade the industry. Despite the problems, many textile-industry executives

are hopeful about the future of the industry in India. International investors, attracted by a recent government reduction of the machinery-import tax rate from 85 percent to 35 percent and by the new low tax rates for textile exports (from zero to 15 percent) are increasingly setting up joint ventures with Indian companies. Such ventures, in

e long run, will help to modernize the industry... And most analysts agree that India has two major advantages that can contribute to the growth of its textile industry: a trained labor force and ample supplies of cotton. India's largest textile companies, says, "We have tremendous potential if we can improve yields. We are the world's fourth-largest producer of cotton, with the biggest acreage under cultivation, producing the entire range [of cotton yarns], from coarse to very fine." He points out, however, that productivity levels are among the lowest in the world, averaging around 200 kilograms of cotton per hectare under culn varion.

The recently concluded General Agreement on Tariffs and Trade (GATT) has been particularly encouraging for India's textile industry, since the Multi-Fibers Agreement that allowed countries to impose restrictive quotas on tex-tile imports will be phased out by 1995, according to the terms of GATT, which will make the lucrative U.S. and European markets accessible to Indian producers.

"The prospects for India's textile industry in the next

10 years are superb," says Kamal Ranka, whose family controls the Modern Textiles group of textile companies. India's current textile exports now total over \$4 billion

India's current textile exports now total over \$4 billion of the global \$248 billion yarn, fabric and clothing industry. "We can soon achieve exports of \$20 billion," Mr. Lalbhai says of the industry as a whole. He feels that further changes in government policy are necessary to stimulate the industry. Such changes, he believes, include overhauling labor laws that now overly protect workers, providing better infrastructure and simplifying the complicated rules and regulations that control the process of starting and running a business in India. starting and running a business in India.

EXPORT GROWTH BOOSTED BY GATT

25 percent of India's total RMG is a labor-intensive exports for the fiscal year ending in March 1994. But in spite of this success, various changes are ary for India's tex-

The garment industry abroad wants its delivery time to be precisely 15 to 20 hours; they want the fabrics to come into the factory in the morning and go

Garment exports

to Japan rose by

\$80 million in 1992

straight to production without inspection. We must be ready with zero-defect fabrics," says Sanjay Lalbhai, managing director of Arvind Mills, one of India's most forward-looking textile companies. He adds that foreign buyers "do not want to wait for four months for the letter of credit to be opened and goods to be shipped out of India. This is not the way to

More and more Indian textile exporters are beginning to agree with Mr. Laibhai that India's textile industry cannot continue to operate in the outmoded ways it has been used to in the past; it must modernize in order to survive.

The phaseout of the textile exports in the future. Multi-Fibers Agreement beginning in 1995, as agreed on under the terms iffs and Trade (GATT). tiles. More than 60 percent and skills. of India's garment exports imports, allowed under the terms of the Multi-Fibers Agreement, will be removed. According to trade analysts, India's annual textile exports would immediately grow from the current \$4 billion to \$7 billion if all quotas were removed.

Ready-made garments (RMG) bring in the most revenues of India's overall textile exports, followed by cotton fabrics, synthetic-fiber textiles, silk textiles and woolen goods. Most of India's cotton fabrics are now exported in an untreated state, while the country's woolen goods cannot now compete in pricing and quality with supplies from countries like Australia and

New Zealand. India's RMG exports had risen to 17 times their 1963 earnings in dollar terms by late 1993 and the potential

Textiles will account for for further growth is great. industry, an advantage for India given its large pool of skilled workers and low wage scale.

India's power-loom sectile industry to continue tor and its garment exporters maintain close links. Since India's garment industry is confined by government regulations to small-scale operations, it relies heavily on powerloom companies that can supply small batches of fabric at short notice.

While this limitation on the size of RMG operations was advantageous in building export volumes quickly during the 1980s, it is in-creasingly being seen as a drawback for the next stage of growth, toward true

globalization. As Mr. Lalbhai says. "Globalization does not mean exports alone. Here in India, the garment industry is limited to small-scale operations. This is a major constraint. If large companies and brands were allowed to operate in India, the export thrust in RMGs

would be amazing." While the domination of Indian exports by RMGs is unlikely to change in the near future, changes in global opportunities and domestic cost structures, along with the growing availability of new skills and materials, are sure to alter the profile of India's

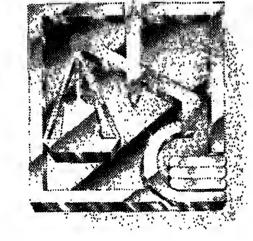
More and more textile manufacturers are realizing that it is more profitable to of the recently concluded concentrate on high-value-General Agreement on Tar- added products and that there is a great need to form could not have come at a alliances with global playbetter time for Indian tex-, ers to improve know-how.

To break the vicious cirnow go to countries whose cle of low-cost structure products for low-end mar-kets, the Indian textile industry will have to make heavy investments, and to recover such investments, we will have to make high-margin, i.e., value-added, products, Mr. Lalbbai

> Forward-looking Indian textile companies like Arvind Mills, Bombay Dyeing, Modern Textiles Ltd., Mafatlal Industries, and VXL India have realized this and are making efforts to update both their production methods and product profiles.
> S.K. Birla, chairman of.

> VXL India, says, "Our tex-tile capacity is expected to double within three to four years with our modernization projects, which are al-ready under way." The

> > Continued on page 15



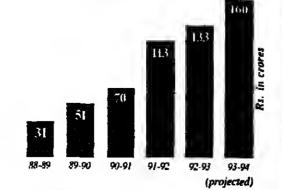
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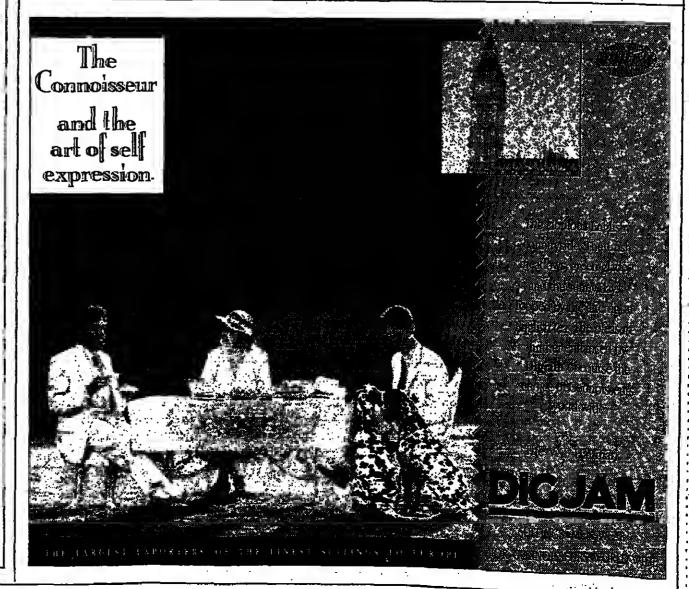
A meteoric rise. A consistent performance. Significant contribution to the country's export effort. Reasons why Bombay Dyeing has been chosen by the Government for the highest export award for 1989-90 and 1990-91.

Pioneering India's textile exports over 50 years ago to Australia, Bombay Dyeing has achieved phenomenal growth in its exports — 430% in the last 4 years alone.

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Bombay Dyeing Export Performance



مكذا من الأصل

A wide variety of woven goods in intricate patterns has

made Indian textiles prized for centuries.

Trouble

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An Although

India's Textile Industry

JOINT VENTURES HELPING IN DRIVE TO GLOBALIZE SECTOR

The most striking new trend in the Indian tex-tile industry is the number of new joint ventures now being established between Indian companies and foreign textile brands.

Thanks to the present government's liberal approach to foreign investment. equity participation and brand licensing are becoming increasingly com-mon. This past November, Arvind Mills began to produce Arrow shirts in India through a licensing arrangement with Cluett Peabody. The shirts are sold io exclusive Arrow showrooms at select locations in 10 cities. Arvind soon plans to launch production and distribution in India of Lee jeans. Stencil Apparels similarly joined

with Lacoste in a project to produce and sell Lacoste polo shirts in India. Other such ventures are reportedly in the works, including and Hugo Boss.

Even non-textile companies in India are rushing to form alliances with foreign garment and texole producers in what is seen as a par-

Labor accounts for only

5% of production costs

ticularly promising market. According to reports, ITC Ltd., India's largest tobacco company, is negotiating with Triumph of Germany, Reebok of the United States and Marzotto of Italy to produce and market these companies' menswear in India.

The Eicher Group of India, which derives most of its revenues from the automobile sector, is reportedly in negotiations with Samsung of North Korea to jointly produce low-cost men's suits for export to wholesalers. "At last the time has

come for joint ventures in textiles. This was not possible two years ago," says Hrishikesh Mafatlal, managing director of Mafatlal lodustries. "Textiles were considered low-technology and the sector was therefore insulated and isolated from world markets. No imports of fabrics or yarn were allowed. The new policy of direct foreign investment has given [the Indian textile industry] a much larger scope. Value-addition for fabrics through brands is the logical extension." he

Mafatlal.

Hrishikesh

alliances.

managing director of

Mafatlal Industries, has

been scouring the world for

new markets, products and

demanding and getting bet-

ter prices from British and

Japanese importers for

products like cotton voile

and processed shirt fabrics.

He reports that he is now

Mr. Mafatlal feels that the trend toward joint ventures has gathered added momentum because India's adoption of new policies ones involving Benetton concerning joint ventures coincides with the fact that more and more texule companies throughout the world are choosing to set up operations in Asia.

India offers investors low-cost labor; in fact, labor accounts for only 5 percent of production costs in India compared to 50 percent in Europe. Attracted by such a financial advantage. NF Corporation of the United States has negotiated an arrangement to produce ladies' lingerie and casual wear in India, all for export, and Mafatial industries is setting up three new export-oriented joint ventures with foreign partners. The first of these is with Schiesser of Germany to make knit-wear, undergarments, T-shirts and boxer shorts. The second project with Gruppo La Perla of Italy, is for the manufacturing in India of shirts, blouses and lingerie, while the third will concentrate on hospital and industrial gar-

IGP Holdings Ltd. While some of the new joint ventures are geared to producing garments for export, an increasing number are also hoping to exploit the purchasing possibilities of India's huge middle

ments in collaboration with

And some foreign companies are entering the market on their own, without local partners. One such example is the Levi Strauss Co. of the United States. which soon will be marketing its jeans throughout

ed there that was reported in 1991. India's exports to

Australia doubled in the

same period, while those to

Switzerland increased five-

fold. Exports to the United

Arab Emirates also rose.

should allow for increased

exports in the future, par-

ticularly to Europe and the

United States.

The GATT agreement

COMPANY DOUBLES TURNOVER

Indian company, has experienced has an 80 percent share of the denim rapid growth during the past five market in India, as well as 27 percent of years: its annual turnover rose from the cotton shirt fabric market. 1.5 billion rupees (\$483.8 million) io 1988 to 2.8 billion rupees for the fiscal agement consultants McKinesy & Co. in year ending March 1993. The compa- putting together a global strategy. Its aim ny's after-tax profits rose during the is to go beyond its current pratice of 414 million rupees. It is profiting from abroad. "We want to manufacture our its efforts to modernize its production products globally. We want to transform facilities and procedures as well as its textiles into an international husiness by management style.

percent, making Arvind one of the New York, London and Tokyo,

Arvind Mills Ltd., a long-established largest denim producers in the world. It

Arvind has sought the services of mansame period from 41 million rupees to manufacturing in India and marketing geographic penetration, expanding into Its specialty is denim. Arvind will be new but related segments of the textile producing 45 million meters of the fabric chain," says Sanjay Lalbhai, managing per year by April 1994, compared to 3.6 director. One of the company's first overmillion meters in 1987. This constitutes seas operations will be in Sri Lanka, and an annual compound growth rate of 43 it is establishing offices in Hong Kong.

300,000 spindles. 3,800 looms. 400,000 metres daily of high quality fabric.



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Canvas Cloth, 50° & 2/80° Coloured Woven Shirtings. Polyester Viscose Suitings. Our markets: U.S.A., Canada, U.K., France. Italy, Spain, Germany, Netherlands, Austria, Switzerland, Ponugal, Sweden, Hong Kong, Australia, Sri Lanka, Yemen, U.A.E Our exports: Rs. US S 60 million per annum.
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Tlx: 11 84241 MGMC IN, Grams: MAFEXPORT, Fax: 91 22 2024625

EXPORT GROWTH BOOSTED BY GATT PROVISIONS

past four years on modern-

ization in order to manu-

facture good-quality prod-ucts for the export market."

veloping its value-added,

award for export quality from India's Wool and

growing product categories.

Another emerging area growth concerns terrycloth towels. These are mainly manufactured by power-loom handloom operations. which produce total

20,000 tons S.K. Birla, Chairman, of terry clothper year. Indi- VXL India

good-quality terry-cloth small businesses with limtowels can be a lucrative ited means for quality imexport. Over the past three. years, a dozen new plants. have opened, all dedicated to exports. At full capacity they could be turning out a total of 18,000 tons of terry cloth per year.
According to Kamal

Ranka, whose family controis the Modern Textiles. Ltd. group of textile companies, "Until recently, year ending March 1994.

"More than 50 percent of

Continued from page 14: - quality-towels manufact our turnover is being ear- the United Kingdom. India exported garments tured by mills based in marked for exports, says a southern India. But now company has for the past southern India. But now company spokesman, four years won the highest plants geared to the export award for export quality products] about \$50 million over the instance and Germany in a move to expand in the highest about \$50 million over the instance and Germany in a move to expand in the highest about \$50 million over the instance and Germany in a move to expand in the highest about \$50 million over the second instance and Germany in a move to expand in the highest about \$50 million over the instance and Germany in a move to expand in the highest about \$50 million over the instance and Germany in a move to expand in the highest about \$50 million over the instance and Germany in a move to expand in the highest about \$50 million over the instance and Germany in a move to expand in the highest about \$50 million over the instance and Germany in a move to expand in the highest about \$50 million over the instance and Germany in a move to expand in the highest about \$50 million over the instance and Germany in a move to expand in the highest about \$50 million over the instance and Germany in a move to expand in the highest about \$50 million over the instance and Germany in a move to expand in the highest about \$50 million over the instance and Germany in a move to expand in the highest about \$50 million over the instance and Germany in a move to expand in the highest about \$50 million over the instance and Germany in a move to expand in the highest about \$50 million over the instance and Germany in a move to expand in the highest about \$50 million over the instance and Germany in a move to expand in the highest about \$50 million over the instance and Germany in a move to expand in the highest about \$50 million over the instance and Germany in the highest about \$50 million over the instance and Germany in the highest about \$50 million over the instance and Germany in the highest about \$50 million over the instance and have been established." Woolen Export Council. Modern Textiles has Mr. Birla cites woolens and opened a spinning, weav-

men's garments as particu- ing and finishing plant for fine cotton towels and intends to market its prod-

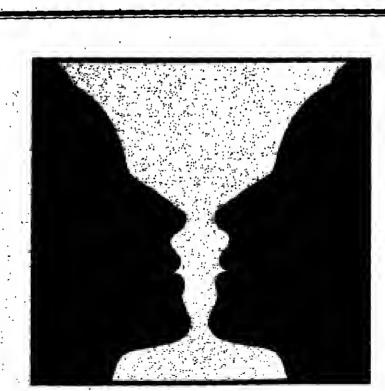
The company is upgrad-ing its product mix and defully processed products. It ucis aggresis currently negotiating sively. with department stores and According mail-order houses in highly developed markets like to Mr. Ranka, *Knitted cot-

ton garments have the best export prospects; followed by woven cotton fabrics and garments and cotton yarns." Until receot-India's knitted cotton

fabrics and neurs bave discovered that were manofactured by

> provement, but that will change, Mr. Ranka belièves. Other expanding textile about the future of the industry in India. Bombay

companies are also positive Dyeing, which had exports totaling \$15 millioo in 1989, will have exports of

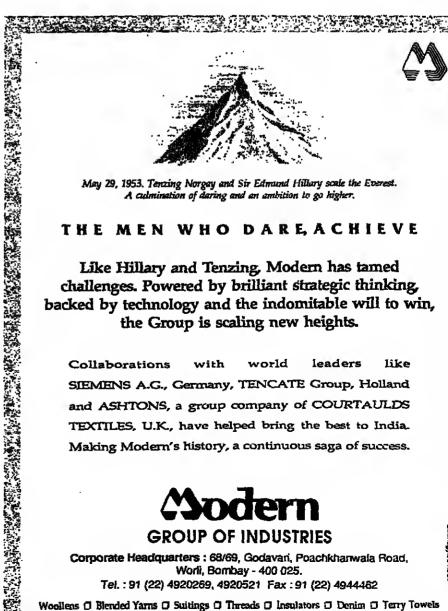


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Ever since we began practising it. orofits have travelled in



May 29, 1953. Tenzing Norgay and Sir Edmund Hillary scale the Everest A culmination of daring and an ambition to go higher.

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With Winter Games Just Around Corner, Lillehammer Fine-Tunes

By William E. Schmidt New York Times Service

LILLEHAMMER, Norway --The town's steep-roofed wooden bouses are blanketed with snow yet began converging on Lilleham up on the sidewalk. like a scene off a Norwegian Christmas card, and down at City Hall and in the nearby brick and glass offices of the Olympics organizing committee, local boosters say that Lillehammer is ready.

"If we had to, I think we could start running the Games tomorrow," said Steinar Soerlie, the city manager in Lillehammer, where the XXVII Olympic Winter Games are scheduled to open in less than two

A sudden if brief swing in the weather had brought rain to the valley above Lake Mjoesa and turned the steep roads and sidewalks from snow to slush, and then just as quickly back into treacherously slick sheets of ice.

- besides the steady whine of saws as workers race to put the final finish on new huildings — had But for Olympic planners and been the noise of car tires spinning ready to wage open war on winter.

just about everyone else in this uselessly on icy hills and the muftown of 23,000 people, it is just as well that hundreds of thousands of ans who have lost their footing and

> "Rain and ice are not the preferred conditions, obviously, but if it happens in February, we will be ready for this, too," insisted Odd Ustad, the spokesman for the Lillehammer Olympic Organizing Com-

To insure both sure footing and As a result, the most common clear roads, an armada of snow background noise the last few days plows, snow blowers and dump trucks filled with rock salt and sand will converge on Lillehammer from towns and cities all across Norway.

After more than \$1.5 billion was spent in six years since Lilleham- to put inside the arenas informamer was awarded the 1994 Winter tional signs that are painted with a Olympic Games, it has come down greenish background; Lillehamto the details here. It is a measure, perhaps, of Lillehammer's state of green looks too much like the green

The one imponderable is how well Lillehammer will be able to absorb the daily surge of some 150,000 people.

cials and Olympic organizers are to mark fire exits. reduced these days to arguments about the color of signs, which seems to be the hottest current dis-

preparedness that municipal offi- used in public buildings in Norway The dispute, says Soerlie, is still

being negotiated.
For their part, Lillehammer's Olympic organizers have used sites, scattered over five communities in the valley, were oot only finished more than a year ago, but they have already been tested in competition, resulting in some ad-The women's downhill, for ex-

ample, was moved from Haffell, about nine miles (15 kilometers) north of Lillehammer, after complaints from competitors that it was too easy. The women racers will now ski a more demanding-course alongside the men's down-hill at Kvittjell, 21 miles farther up

The cross-country ski course was

much of the last year to fine-tune their planning for the Games. The m the final stretch to provide a good head start.

Olympic stadiums and sporting better angle for both spectators and Locals say this December has s

Locals say this December has so far been the snowiest anyone can remember, with nearly three feet on the ground in town. At the same time, the crosscountry ski events through the In the mountains above the val-. woods above Lillehammer will be

ley, where the alpine and crosscountry events will take place, the snow is much deeper, hip deep in

But the one imponderable is how well Lillehammer will be able to: absorb the daily surge of some 150,000 Olympic-bound spectators, athletes and journalists, who will descend on the town by not. only bus and car, but express trains arriving every 10 minutes from

Norwegian school children will be given a two-week holiday during the Games, not so much so they can watch, but because the Olympic organizers need their school buses to help move people around Lille-

All together, there will be some 2,000 buses circulating up and down the valley here, which will be effectively closed to private automobile traffic.

Some officials acknowledge that they are baunted by memories of Lake Placid, N.Y., in 1980, when the shuttle bus system failed miser-ably, stranding thousands in the

"We think we are ready, but I must say, honestly, we won't know for sure until the day it happens," said Ustad. "Let's say I am not worried, exactly, but I am anx-

Moreover, there is only a twolane highway and one good rail line connecting Lillehammer to Oslo, about 110 miles to the south and where many spectators will be stay-

"When you think what could happen if even just one moose or reindeer wanders on the tracks, you begin to lose sleep," said one Olympia plantage. pic planner

As a result, special precautions are being taken to keep the wildlife at bay. Troughs of food will be towed into the woods each day, in an effort to keep animals away from the transportation lines for the 16 days of the Games.

At Christmas time, Lillehammer seemed nearly deserted, a kind of calm before the storm. Bars and restaurants were nearly empty, ho-tels liad plenty of available rooms. and there were no lift lines at the ski resorts:

On Storgaten, Lillehammer's pedestrian mall; the peddlers who hawk Olympic pins are folding up their stands by sundown, which

Olympic rehearsals are finished for the holidays, too. Despite the rain, more than 500 local people bad turned out in the slash above the town for what was supposed to be the first full-dress practice of the

Because of the weather, the orgafar, say Olympic planners, the torch has stayed lighted every time.

2 Players Acknowledge Extortion

and Helene Elliott

Los Angeles Times Service INGLEWOOD, California Alexei Zhitnik of the Los Angeles Kings has acknowledged that he was the target of extortion last Kiev, Ukraine.

The second-year defenseman said the threats from an organized crime group in the former Sovier republic were verbal, rather than

Zhitnik's candor was surprising. because many National Hockey League players from the former Soviet Union have been reluctant to discuss alleged incidents with the so-called Russian Malia.

Team executives and the Kings' coach, Barry Melrose, are so concerned that they have urged Zhitnik not to return to Kiev this sum-

"I have little problem with Russian Mafia," Zhitnik said. "They

The Associated Press

Houston Rockets did not make los-

Stung by a four-point perfor-

mance in a 20-point loss to Phoenix

oo Christmas Day, Smith scored a

career-high 41 points on Sunday

night as the Rockets routed the Los

and be assertive," said Smith, who

made 16 of 24 shots. He called the

previous game "an embarrassment

to our whole team and for myself.

it, that's the last game you're going to see me play like that. If I'm

"My main goal was to come out

Angeles Lakers, 118-93.

to be the way I play."

ing a babit.

T

Kenny Smith made sure the

Zhitnik, 21, said neither he nor his twin hrother, Dmitri, were harmed. He said he did not pay the

gangsters.
"If you pay the first time, the next time you pay much more," he said. "But my friends helped me. Like the police, the cops can't do nothing. No rules. No laws."

Alexei Kasatonov, a defensen for the Anaheim Mighty Ducks, who is from St. Petersburg, said the extortion schemes involved "not just a couple of players."

"It's every sports people who have money," he said. He said he had not been approached, but bad spoken with several players who had been threatened, including his former New Jersey Devils teammates, Alexander Semak and Valeri Zelepukin; Darius Kasparaitis and Vladimir

Malakhov of the New York Island-

ers, and Sergei Nemchinov of the New York Rangers,

"It's like America had Al Ca-one," Kasatonov said. Wings, urged Fedorov to hring his family to the United States before "Now, there's so much illegal

groups there, big and little," he said. "You don't know who is protecting you and who is helping you. Maybe your neighbors are in the same situation or maybe they take

Kasatonov said he had contacted NHL security personnel, who said they could not take action unless he had been threatened. Zhitnik's help came from friends he declined to identify. He said some of the threats came from men he grew up

"I knew a couple of guys, went to school with them," he said. Coming off a successful rookie

NHL season, Zhitnik had a relatively high profile when he returned to Kiev last summer. That, as well as his \$400,000 salary, made him a potential victim of extortion. Mike Barnett, who represents

Sergei Fedorov of the Detroit Red

signing a four-year, \$11.7 million contract that makes him the NHL's highest-paid Russian player. Zhitnik's mother, father and

brother bye in Kiev, and Zhitnik said he talked with them once a week. His father, Nikolai, when contacted in Kiev, said the family had not had any problems with "For my parents, it's nothing bad," Alexei Zhimik said. "They

are like normal people. Fifty-six, He said he was at bigger risk because "I go to different places,

restaurants, discos."

Lombardi said the Sharks had heard that threats had been made to Alexander Cherbayev, the team's third pick and 51st overall m last June's entry draft, but he was unable to confirm any incidents.

"I asked the kid and he said no, Lombardi said. "but this is 1930's Chicago stuff, and it wouldn't have been smart for him to talk about Melrose also said NHL scouts

were so fearful of becoming victims of crime in Russia that the world junior tournament was moved from Russia to the Czech Republic. Although Zhitnik discussed his situation, Pavel Bure of the Vancouver Canucks continued to deny stories in the Vancouver Province newspaper that said he had made

I never heard about it," he told the oewspaper, "but I'm oot wor-ried about it until they ask me."

two payments to ensure the safety



Mike Gartner responding to the cheers that followed his 600th goal.

Radja (0-for-14 from the field) and

Billy Owens's jumper gave the Warriors a 99-97 lead at the start of

NBA HIGHLIGHTS the extra period, and they did no

lose it again. going to go down playing, it's going Smith scored 15 points in the

final period as the Rockets, who won 22 of their first 23 games before double-digit losses to Denver and Phoenix, pulled away from the Lakers by outscoring them, 38-27, in the fourth quarter. Smith and Hakeem Olajuwon got 22 of Houston's first 26 points scoring lead. O'Neal's exact aver-

in that period. Olajuwon, with nine points in the quarter, finished with 17 points and 14 rebounds.

The Lakers' coach, Randy McDaniel with 18 points, but Dino

Pfund, had a simple explanation for the blowout: "Ohviously, they're a better basketball team

Rockets Get Back to Winning

Warriors 108, Trail Blazers 106: took an overtime but Golden State beat host Portland for the first time in 10 tries behind Latrell Sprewell's season-high 33 points and Chris Webber's 24.

Spurs 99, Celtics 85: David Robioson scored a seasoo-high 46 points as San Antonio handed Boston its seventh consecutive road loss and fifth straight defeat over-

Robinson made 16 of 26 shots from the field and 14 of a careerhigh 23 attempts from the free-throw line to pull into a virtual tie with Shaquille O'Neal for the NBA age is 28.600 and Rohinson's

28.593. Bostoo was led by Xavier

Acie Earl (0-for-1) were scoreless. Heat 109, Kings 95: Miami beat Sacramento for its fifth straight victory, outrebounding an opponent and holding the other team under 100 points for the sixth straight game.

Brian Shaw, a reserve guard, scored a season-high 20 points, and Steve Smith had 23 for the Heat. Mitch Richmond had a seasonhigh 38 points for the Kings, who lost for the 13th time in 15 games overall and for the 10th time in 11

Nets 91, Hawks 87: New Jersey extended its home winning streak to four as Armon Gilliam, starting because of Derrick Coleman's stomach virus, got 18 points and 13 rebounds. Dominique Wilkins scored 23 points and Kevin Willis had 20

points and 10 rebounds for Atlanwhich lost its second straight after winning 16 of 17.

Cavaliers 107, Pacers 103: Mark Price, who had 16 assists, scored seven of his 21 points in overtime. putting Cleveland ahead with an 18-footer with 28 seconds left against visiting Indiana. The Cavaliers also got a season-high 27 points from Brad Daugherty.

WHERE ARE YOU

GOING WITH THE WASTEBASKET?

Brindabella Forges On as Gales Cut Field by 16

Compiled by Our Staff From Dispatches

SYDNEY - The Australian pocket maxi Brindabella remained on pace Monday evening to break the 18-year-old record in the Sydney to Hobart yacht race, but its two closest rivals had been forced to drop out by

gale force winds and rough seas.

Brindabella, skippered by George Snow, held a 37.4-nautical-mile (69-kilometer) lead over Maxi Ragamuffin, which was 8.9 nauti-cal miles ahead of Hammer of Queensland.

The high-tech U.S. yacht Cassiopeia, skippered by Charles Burnett III, was in second place when it suffered gear damage. Amazon was a close third when its sails were torn, Both turned back for Sydney.

The 45-foot (14-meter) Oz Fire retired from the race because of mast damage early Monday, while the seven crewmen on the 33-foot Clwyd were rescued from their yacht when it hit a submerged object, filled with water and turned turtle off the south coast of New South

It was the first time a yacht had sunk in 49

"There was a big bang and about five min-utes later we found her filling up, so we went into the abandon ship mode," said skipper

Craig Escott. Four yachts that sighted its flares sailed toward the Clwyd and the crew was picked

Sydney to Hobart races.

the first 30 hours of the race, but weather forecasters said she was heading straight into 30- to 40-knot headwinds that were whipping. up four- so five-meter waves.

Brindabella had led 105 yachts out of Sydney Harbor on Sunday, but 16 already had refired by Monday evening. (AP, Reaters)

from their liferaft about 60 miles east

Bateman's Bay by the boat Nynja Go.

The race record for the 630 nautical miles is

held by American Jim Kilroy, who took Kia-

loa II to Hobart in 2 days, 14 hours, 36 minutes in 1975. Kilroy was helped by trailing

Brindabella enjoyed favorable winds for

winds averaging 20 knots.

— the most northern site **Gartner Gets** 600th Goal

opened, free of charge, to any spec-

tator who wants to ski out to watch

from a place alongside the track.

Cross-country skiing is Nor-way's most popular recreational sport and the Olympic organizers acted after fielding more than

250,000 requests from Norwegians

for the 30,000 tickets allocated to

More important, despite the

brief thaw, winter has given Lillo-

the four-man relay event.

television cameras.

In the NHL

Mike Garmer became the sixth player in NHL history to score 600 goals with the first of his two durng an an 8-3 victory over the New Jersey Devils that extended the New York Rangers' unbeaten streak at home to 15 games Sunday

Garmer also had an assist on one of two goals by Sergei Nemchinov. Alexei Kovalev had a goal and three assists and Sergei Zubov added three assists for the Rangers, who now lead the NHL with 25 victories and 53 points.

Kings 3, Mighty Ducks 2: Pat Conacher scored twice and Shawn McEachern got the tie-breaking goal late in the second period as Los Angeles won its first regular-season game in nearby Anaheim

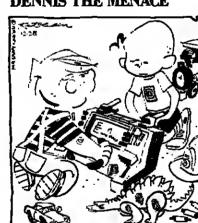
But the Kings' Wayne Gretzky, who has slipped behind Detroit's Sergei Fedorov in the NHL scoring race, left the ice without a goal or assist for the fifth time in six games. The 10-time NFIL scoring champion and all-time leader in points has not scored a goal in either of the two games against the Ducks.

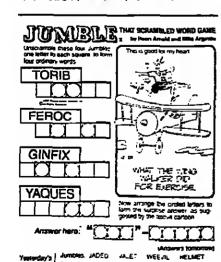
Whalers 3, Senators 2: Alexes Yashin forced overtime by scoring with 10:22 left in the third period and forward Geoff Sanderson's second goal extended Hartford's winning streak to four games, its

these days comes before 3 P.M.

opening ceremonies nizers not only told everyone to leave his costume at home, but also abandoned one more test of that has already been described as the ceremony's most daring special effect: the airborne entry of the Olympic torch, held tightly in the grip of a Norwegian ski jumper who will soar into the stadium off the 60-meter hill. In rehearsals so

DENNIS THE MENACE





<u>IN BERLIN</u>

the IHT hand delivered to your home or office every morning on the day of publication. Just call us toll free at 0130 84 85 85

PEANUTS



WE'VE ALL WORKED VERY HARD THIS YEAR

BEETLE BAILEY

OF DOG ARE YOU TALKING ABOUT ?













CALVIN AND HOBBES

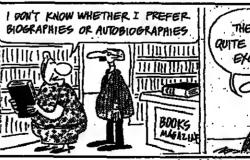




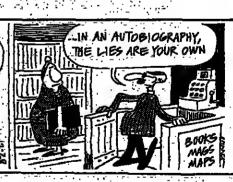




WIZARD of ID







REX MORGAN







GARFIELD



وكذا من الأصل

SPORTS

Florida State Has Numbers on Its Side

By Ken Denlinger hington Post Service

WASHINGTON - The hosennas to Florida State and its coach, Bobby Bowden, usually appear about this time of the year: Best college team in the country," "Na-fon's best college coach."

But there are codicils. The Semi-

noles are usually out of the nationa) championship picture by the time the bowls roll around and Bowden has set to coach a team to a national championship. Those points are never far behind the praise, to the point where Bowsen, an easy-going and if over there was one, has become sensitive.

He was saying during a conference call the other day. So many (coaches) have stated they'll be

ORANCE BOWL

glad when he (Bowden) finally wins it all and we can get back to playing football — I'd never tealized the

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feeling was so strong.

In the last six final Associated Press polls, the Schunder — now ranked No. 1—have finished secranked No.1—have finished second three times, fined once and fourth the office two times. They are unbeaten in their past 11 bowl games, yet have not been involved in the national championship experience—until Saturday's Orange Bowl game against undefeated and No.2-ranked Nebraska.

To make the case this year for

To make the case this year for Florida State as No. 1, start with two overwhelming facts: It has scored more points (518) than any other team in the country, it has allowed fewer points per game (2.4) than any other team in the country. Only three other times in National Collegiate Athletic Association his-tory has that happened.

They even took good just stand-ing around in their uniforms, " said

Mel Kaufman, a scout for the NFL's Washington Redskins. What makes the Semmoles spe-

"Speed," said Kansas tight-ends coach, Tim Phillip, whose Jay-hawks lost to Florida State by 42: points in its season opener and lost to Nebraska by one point nine "Incredible speed," said Kanf-

"Ability-wise man for man they're the best team in the country," said Minmi's defensive coordinator, Tommy Tuberville.

So how come they lost, by seven points, to Notre Dame? "Didn't run their offense the first 21-7 derick in Notre Danie Stadi-um. "Tried to trick 'em," with a college footbalk halfback pass to a wideout in the Yes, it's true

Ward is on a terrific run. He won the Heisman Trophy one Saturday and picked up his degree the next. Tuberville says Ward "has the quickest first two steps of any quarterback I've ever faced. He truly is the difference between us, Nebraska, Florida and West Virginia."

Including Ward, the Seminoles have 10 players with at least a four-yard rushing average. Also includ-ing Ward, the Seminoles have 12 players with at least a 10-yard receiving average. Ward's two back-

SCOREBOARD

EASTERN CONFERENCE ...

BASKETBALL

ups have completed more than 70 percent of their 84 passes. Despite playing one more game, the Seminoles have punted 11 fewer times than Nebraska.

That's the offense. The defense is at least as good.

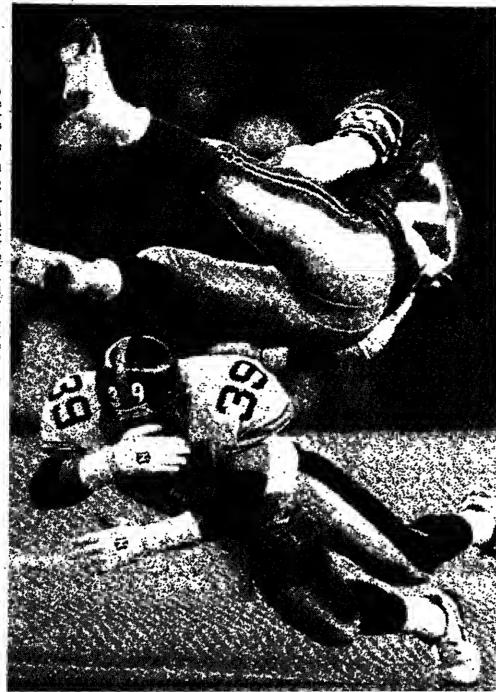
"The thing that amazes me," said Nebraska's coach, Tom Osborne, is that they lost three or four key players" - mostly on defense and still are every bit as talented as last year. The last six or seven years they've been the most consistent team in the country. Kind of like the Buffalo Bills - been there

At one point this season, linebacker Derrick Brooks had scored more points than had all the Semiopponents. Bowden said he'd noticed that about Brooks even as a freshman, that he kept finding a way to end up with the football on defense and run it into the end zone.

"I think about a shutout every practice," Brooks said. Bowden was reminded that this could be a unique year for his family, what with son Terry winning many coach-of-the-year honors for leading probation-saddled Auburn to an unbeaten season and him with a chance at a national championship. Bowden admitted that was so, but said there had been a more memorable year: 1975.

"My last year at West Virginia," he said. "We played in the Peach Bowl. Tommy (another son) played a key role for us that year as a player, helping pull us out of a disaster the year before."

West Virginia went from 47 in 1974 to 9-3 - and Bobby Bowden. was off to Florida State. Now 64, he has said he thought Florida State would be a stepping stone to Alabama or, ironically, Auburn. Instead, he found himself with a motherlode of high-school talent and has won at least 10 games in each of the last seven years. He and his players now have the chance at the capstone of their college ca-



As the Steelers' Darran Perry grabbed air, Jon Vanghn flew by for an eight-yard gain. The Seahawks ran for 267 against the NFL's No. 1 rushing defense and won, 16-6. Vanghn gained 131 yards.

But Nebraska Can Count Its Blessings, Too

Washington Post Service WASHINGTON - May it please the court, Nebraska would like to correct the record by introducing evidence that, it hopes, will remove at least a bit of the prejuhalf," said Tuberville, referring to a - dice that seems to be occing from 21-7 deficit in Notre Danie Stadi- the jury deciding who is No. I in

Yes, it's true the Combuskers

team in every game, and each of the six teams that beat them finished no lower than second in at least one of the final polls. Bo Schembechler lost some-

thing like 12 of the 17 bowls he was in, and Bear Bryant lost eight straight at first," said Nebraska's coach, Tom Osborne. "I've never felt either of them was inept.".

And what does that have to do

than Osborne's coaching peers - all-Americans."

tends to dismiss the unbeaten a bunch of stumblefooted dust teams are better than Nebraska.

ranked the 25th toughest in the mior left outside linebacker. untry by the National Collegiate Athletic Association, and the schedules of six other Big Eight teams were among the top 35. In-chided among the Combuskers' victims were: No. 14 UCLA and No. 17 Colorado on the road, plus No. 20 Kansas State and No. 19 Oklahoma at home, the latter in front of the 195th consecutive sellout at Memorial Stadium.

"Our first-team defense only gave up three passing touchdowns all year," said junior comerback Barron Miles. "We shut (UCLA's) J.J. Stokes and (Colorado's) The fact that everybody - other Charles Johnson off - and they re

But what about that 21-20 break and 12 touchdowns. Or any of the Comboskers - ranked No. 2 - as late in the season at 5-7 Kansas, six other runners who averaged as whose coach, Glen Mason, had one least four yards a pop. The exciting,

sive numbers: 25 consecutive nine-other teams did the same thing -

Its defense ranked in the top 15 m nearly every significant category. They've been the best running

team in the country for years," said

What starts friend and foe alike talking about the Cornhuskers, however, is not tailback Calvin Jones and his 5.6 yards per carry

grabbers literally out of their of the most accurate place kickers dominant Corninsker is 6-foot, 4-league against anyone outside the in the country available but opted inch, 240-pound (1.93-meter, 109-league spainst a can't-miss tie for a two-kilogram) Trev Alberts, who capper even said that at least 10 point pass that failed? well, Nebraska's schedule was Donia Iones, the Combinskers ju-country's premier linebacker.

nior left outside linebacker.

As always, Nebraska starts its him," said Tim Phillips, the tight case with numbers. Loads of mascale coach at Kansas. "I'm sure victory seasons, 205 straight weeks ran away from him. I'd imagine in the top 25 polls, an average of half the action each game was the 287.9 yards rushing (third best in other way — and he still was their the country), an average of 425 leading tackler" by a whopping 17 yards in total offense and an average of 38.3 points (fifth in the country).

That was 96 tackles and 15 quar-

That was 96 tackles and 15 quarterback sacks for Alberts, even though he dialocated his right elbow on the ninth play of the Oklahoma game.

"I thought him getting hurt so early might have been too much for the defense," Phillips said. "But everybody else picked it up a

This is a team Osborne clearly likes, one that has five players (among them Alberts) working on their graduate degrees. Of the 29 semiors, 22 are on target to graduate by spring. And the quarterback, sophomore Tommie Frazier, might

as many as four 300-pounders on the offensive line -- "has the ability to run against Florida State, like Notre Dame did." Looking back at the season, 300-

pound blocker Brendan Stai said: We're different because we believe in each other. We've held on

9 Teams Home, 3 to Go burgh Steelers also were beaten. Buffalo (11-4) took the AFC

Conspiled by Our Staff From Dispatches won a place in the the National Football League's playoffs for the first time in 11 years, joining the Buffalo Bills, Kansas City Chiefs, Detroit Lions and Denver Broncos who also made it on the next-to-last

weekend of the regular season. But it may come down to the midnight hour of Monday night football next week - the last ticks of the clock of a 16-game schedule spread over 18 weeks - to determine who else is in.

Of the NFL's 12 playoff spots -wild cards - nine teams are in, with the New York Giants, the Dallas Cowboys, the Houston Oilers and the San Francisco 49ers

having previously made it.
In all, eight teams remain alive for the final three positions. Of the league's 28 teams, 42 percent now make the playoffs.

Even the 7-8 Philadelphia Ea-

gles, who, deemed done for earlier in the season when Randall Conningham was lost for the year, could shoehorn their way in next Monday night, when they play at San Francisco

Five NFC playoff berths have been decided, but it figured that the muddled NFC Central - which had four teams in contention for first place with two weeks remaining - would be without a crowned champion heading into the final week of the season.

However, Green Bay and Detrost simplified matters by winning Sunday, ensuring one of them the division title and the other a wildcard spot

The title will be settled next Sunday at the Pontiac Silverdome. "We're all excited to be playing a game that's about winning the division. That's our whole season, down to beating the Packers," said the

Lions' quarterback, Erik Kramer. While the Packers made the playoffs in 1982, purists might look back to 1972 as the last time the Pack made the postseason parade in a normal season. In 1982, the strike season

The Pack also guaranteed itself consecutive winning seasons for the first time since 1966-67, when the coach was named Lombardi and they won the first two Super

The East champion will be also determined next Sunday, when the Cowboys visit the Giants.

The Giants didn't lose any ground by being upset by the Phoeat Giants Stadium will capture the NFC East Division and enjoy the home-field run throughout the six-game winning streak.

The Cardinals gained 248 yards

SIDELINES

ment, quit Monday.

Paul Coffey of Detroit (189,839).

For the Record

NEW YORK — A grand old card host the following week team, the Green Bay Packers, has won a place in the the National Orleans, Green Bay, Detroit or Minnesota.

The NFL's Playoff Race:

San Francisco already had won the West before Saturday's loss to Houston, the AFC Central champi-

Minnesota can grab the final NFC spot by winning Friday in Washington, The Vikings are 8-7 and eliminated the possibility of a 7-9 team making the NFC playoffs when they beat Kansas City on Sunday night. The victory also knocked Chicago out of the race.

The Chiefs were handed the AFC West crown earlier in the day when both the Los Angeles Raiders ver, which fell to Tampa Bay, still

secured a wild-card berth because

victory. A loss would set up a lastweekend melee involving the Dolphins, Jets, Steelers and Raiders for a wild card. Atlanta was eliminated from

Giants to 69 yards.

cated his right shoulder.

wild-card race.

contention by losing to Cincinnati a week after being upset by the Redskins. (NYT, AP)

Buccaneers 17, Broncos 10:

Craig Ericksoo threw for two

scores against host Denver, which

lost three fumbles and leading

Seahawks 16, Steelers 6: Seattle,

playing at home, ended a four-

game losing streak as Jon Vaughn,

who had only six carries this sea-

son, replaced 1,000-yard rusher

NFL ROUNDUP

Chris Warren and had a career-best

131-yards. The Seahawks ran for

267 against the NFL's No. 1 rush-

Browns 42, Rams 14: Vinny Tes-

taverde set an NFL completion

percentage record for one game,

going 21 for 23 against the league's

worst secondary, as Cleveland won before a crowd of 34,155, the small-

est for a oon-strike game since the Rams moved to Anaheim from the

He completed his final 13

throws, and his completion per-centage of 91.3 topped the record,

based on at least 20 passes, of 90.91

(20 of 22) set by Ken Anderson of

In earlier games, reported in some Monday editions:

Cincinnati on Nov. 10, 1974.

L.A. Coliseum in 1980.

tions was intentional.

ing defense.

rusher Rod Bernstine, who dislo-

East by edging the New York Jets, who barely ching to postseason as-pirations. The Bills gained the divi-

sion championship for the fifth time in six years; four of those titles

were clinched against the Jets.
Philadelphia beat New Orleans
as both teams barely stayed in the

Miami, which was playing San Diego on Monday night, would clinch an AFC wild card with a

Vikings, McMahon Beat Chiefs by 20

Compiled by Our Staff From Dispatches The Minnesota Vikings desperately occded a victory and played

like it. Kansas City had much less at stake and it showed. Jim McMahon outgunned fellow old-timer Joe Montana on Sunday night, as Vikings improved their playoff chances with a 30-10 vic-

tory over the visiting Chiefs, who earlier had clinched their first AFC West title since 1971 McMahon, 34, threw two TD passes to Cris Carter for the second straight game as he was 17 of 25 for

Scottie Graham, out of football three months ago, gained 166 yards and tied a team record with 33 carries. The previous week, against Green Bay, he rushed for 139 yards

in 30 tries.

Bayern's New Manager: Beckenbauer
MUNICH (AP) — Franz Beckenbauer, who coached Germany to the

World Cup title in 1990, on Monday became the manager of Bayern

Beckenbauer's only previous club managing job, at Olympique Mar-seille, lasted just months and he vowed never to coach a club again. But he had said in recent days that he was ready to step in for Erich Ribbeck, the

embattled Bayern coach.

Ribbeck, who had disagreements with several players and the manage-

Gretzky Tops NHL All-Star Balloting

TORONTO (AP) — For the first time in his career, center Wayne Gretzky of the Los Angeles Kings led all players in NHL All-Star balloting, according to figures released Monday by the league.

Gretzky, who will be playing in his 14th All-Star game on Jan. 22, received 236,578 votes, just ahead of Toronto goalie Felix Potvin, who had 231 903

Joining Gretzky and Potvin as Western Conference starters are wingers Brett Hull of St. Louis (195,256) and Pavel Bure of Vancouver (175,030), and defensemen Chris Chelios of the Chicago Blackhawks (208,691) and

Continuing rain washed out the second day of the first cricket test

tween Australia and South Africa at the Melbourne Cricket Ground on

Munich, the club where he launched his brilliant career.

Montana, 37, rarely budged the NFL's second-ranked defense. He was 17-for-24 for 121 yards was and intercepted twice as the Chiefs Packers played only 9 games in the gained just 37 yards to 205 by Min-

Cowboys 38, Redskins 3: Troy Aikman threw two touchdown passes while Smith regained the NFL rushing lead and scored a dell, and one of his two incompletouchdown in Dallas.

Alkman was 16 of 20 passing for 193 yards. Smith, the NFL rushing leader the last two seasons, ran 21 times for 153 yards, and now has 1,318 yards to 1,283 for Jerome

Bettis of the Los Angeles Rams. nix Cardinals while the defending Cardinals 17, Giants 6: Brad Da-Super Bowl champion Cowboys hiso kicked a game-winning 54were romping over the Washington yard field goal and Ron Moore got Redskins. Whoever wins the game 110 of his 135 rushing yards and scored twice in the second half as Phoenix ended visiting New York's

Eagles 37, Saints 26: Eric Allen tied an NFL season record of four interception returns for touchdowns by getting returns of 33 and 25 yards against slumping New Or-leans in Philadelphia.

Bengals 21, Falcons 17: Cincinnati, at home, got three touchdown passes from David Klingler, the winner, a 6-varder to Carl Pickens.

coming with one minute left after a 70-yard drive against Atlants. Bills 16, Jets 14: In the coldest game in Buffalo history — a steady breeze put the wind chill factor at

28-below - Steve Christie kicked three field goals and New York's Cary Blanchard missed three. Packers 28, Raiders 0: Green Bay got eight sacks - 2½ each by Reggie White, John Jurkovic and

Tony Bennett - and Sterling Sharpe became the first player with consecutive 100-catch seasons. Sharpe, who set an NFL record with 108 catches last season, caught

seven, one for a 23-yard TD. The kickoff temperature was zero, the second-coldest in the history of Lambeau Field, and the wind chill was minus-22 degrees

the third-coldest in the history of the fabled stadium. The Raiders lost quarterback Jeff Hostetler to a concussion in the third quarter.

Lions 20, Bears 14: Eric Kramer was 23 for 31 for 223 yards and two touchdowns, hitting all six for 47 yards Detroit's winning TD drive in the fourth quarter. Eric Lyach, filling in for injured Barry Sanders, bad 131 total yards as the Lions won in Chicago for just the second time in the last 10 games.

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Monday, leaving officials facing financial losses of up to \$500,000. (AP) Park Avenne Kathy, the 7-year-old U.S.-born trotter trained in Sweden who was one of the world's top harness racing horses, was killed and three others horses were injured in a fire that broke out in their van Sunday in games where last year's team probably wouldn't have." night on a highway north of Bologna, Italy. Mitch (Wild Thing) Williams, the relief pitcher largely responsible for the Phillies losing the World Series, was married near Philadelphia. (AP) - KEN DENLINGER ESCORTS & GUIDES INTERNATIONAL CLASSIFIED (Continued From Page 6) BELGRAVIA LONDON ESCORT SERVICE Amerisan & Brozilion. 7 days, London/Heathrow Telephone 0850 623734 **ORCHIDS** BELGRAVIA LONDON CHEDIT CARDS ACCEPTED **ORCHIDS** EXOTIC ESCORT SERVICE CALL (0971) 974 5515 PARIS & LONDON* ELEGANT & EDUCATED * DICLUSIVE Estort Service London (71 394 5145 071 589 5237 CEDIT CARDS ACCEPTED ACRESON CLUB - VIENNA ESCORT Service 5. Rechte Wierzeile 2a. 071 589 5237 MERCEDES RITERNATIONAL ESCORTS Service Amplituse Worthwele Tale 212-765-7896 New York, USA Major Groff Cards & Chadle Acceptac LONDON ESCORT AGENCY MAJOR CHEDIT CARDS ACCEPTED TEL: (071) 361 6466

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Honor on the Campus

setts, is that 83 percent of all the lie, cheat and steal. Why didn't you undergraduates at MIT cheated at go to your friends?" least once in their college careers. More than two-thirds confessed to plagiarism, and half admitted stealing other neonle's ideas.

What puzzled me about the survey was not that 83 percent cheated — but that 17

percent didn't. I went to the campus to talk to the noncheaters.

They were huddled off in a corner, and none of the chealers would have anything to

have anything to Buchwald do with them. "How come you didn't cheat while you were in school?" I asked. David Moskowitz replied, "No

one taught us how." Jane Mitchell said, "You learn cheating from your parents. I came from a happy home, and there was nebody around who knew how to beat the system."

Fred Calabash said, "I once asked my father if winning was everything. He replied, No. it isn't.' I figured that he didn't know what he was talking about so I ran

"It seems to me that you're blaming your parents for not cheating. Can't you put some of the responsi-

Hollywood's Year **Ends on Low Note**

United Press Internation OS ANGELES - Hollywood studios, lacking a holiday megahit, ended the year with a sense of pessimism.

Though the year's box office receipts will top the \$5.03 billion re-cord set in 1989, it will be far short of the \$5.3 hillion total some had

fr

This winter saw only one real hit, Columbia's "Groundhog Day," after a sizzling summer, the best on record. Five films topped \$100 million and "Jurassic Park" became a cultural phenomenom with domes-tic grosses topping \$335 million and overseas hitting \$500 million.

WASHINGTON — The news bility on yourself? Let's say your folks refused to teach you how to

Zelda Claghorn said, "That's easy for you to say. But I was afraid of getting caught."

What's to be alraid of? Everyone in the country cheats. Defense contractors cheat, congressment cheat, bankers cheat, the White House cheats, and people driving leased automobiles cheat. The purpose of college is to teach you that cheating is a way of life in the United States. You people better start doing it right away if you hope to survive in a capitalist society. David Moskowitz was adamant Tve never plagiarized anything in

my life." "It's not too late to start now." I yelled at him.

"What about the honor code?" Carisa asked. "It's a good thing as long as no one is found out. But if you're

brought up on charges it breaks up fraternity houses. Redfern said, "I know some peoole who were honest and still fin-

"And I know people who walked on the moon. The question is, 'How

"Do you think that cheaters should he punished?" Margot

"I'm not sure," I replied. "I asked the dean if cheating is the worst thing that a student could do, and she replied. 'No. Attempting to park in the faculty parking lot without a sticker is a lot worse.

Cheating is rampant on all camises," Miller said. "MIT is just the tip of the iceberg."
"MIT is a good school," I assured him. "Their exams are very

difficult. You have to do everything you can to pass." "Do you think that they'll kick us out of school for not cheating?"

one of the students asked me. "They'll probably give you a warning first. If you continue not cheating, they will be forced to take Blandford said, "I wish I had my

academic life to live over again." "Why?" I wanted to know. "I'd put all my math test answers

Whoa! How Actors **Earn Their Spurs**

By Joel Engel

T OS ANGELES — Halfway into Walter Hill's "Geronimo," a cavalry officer named Lieutenant Charles Gatewood (played by Jason Patric), is challenged to a duel on horsehack by an angry Apache. The Indian firing his gun wildly, charges toward him.

The lieutenant sits impassively for a while, then yanks his borse's head to the side, apparently causing the animal to fall. Now, with a big borse to lie behind, he returns fire. The battle won, he kicks the horse to its feet and -somehow -gets on Patric, not a stunt double, performs the

breathtaking maneuver. So one might assume that the actor was an experienced

"He didn't know how to ride," says Rudy Ugland, who, as the film's head wrangler, was responsible for the horseback sequences. Patric learned his skills at Ugland's ranch north of Los Angeles, where the wrangler keeps up to 80 horses

Ugland, who is 55, says there were about 700 wranglers in the husiness when he began riding in television westerns in 1956. "Every television show was a west-ern," be says. "Now there may be 35 active wranglers making a living."

Their fortunes have turned upward since

"Dances With Wolves" in 1990. That epic seems to have sparked a number of films even television shows like "Dr. Quinn, Medicine Woman" - that require riding. In fact, anything set before the turn of the century may use wranglers. This year horses have played a part in "Som-mersby," "Much Ado About Nothing." "The Ballad of Little Jo," "Into the West" (a contemporary film set in Ireland. "Geronimo," "The Three Musketeers" and

Tombstone," among others. Next year, with its bonanza of westerns, promises to be even more horse-packed. Ugland has just finished work on the movie version of "Maverick," starring Mel Gibson and James Garner. Jon Lovitz and Dana Carvey will ride in a comedy called "Tucson." Lovitz and Billy Crystal will

make an appearance in "City Slickers 2." Kevin Costner will star in Lawrence Kasdan's "Wyatt Earp," coming next summer. Two movies detailing the life of Wild Bill Hickok are due. Rob Lowe plays Jesse James in "Frank and Jesse," now in production. Luke Perry will play a rodeo champion in "Lane Frost." "Outlaws," with women in the saddle, has been filmed. "Bad Girls." billed as an all-female western, is scheduled

for release in the spring. And Sharon Stone is now shooting "The Quick and the Dead," another western.

These things are cyclical," Ugland says of the gaggle of oaters.
in nearly four decades of wrangling.
Ugland claims he's never met an actor he

couldn't train to tide. Apparently, he never met Charlie Sheen. In the recent "Three Musketeers," Sheen was called upon to look comfortable in the saddle. He was far from it, said the director, Steven Herek, describing a scene in which the four principals — Sheen, Kiefer Suther-land, Oliver Platt and Chris O'Donnell —

ride off into the distance.

"Everything was great," Herek says.

"Then, all of a sudden, we hear these expletives and Whoa, whoa, stop!" Immediately, we knew who it was."

Sheen had announced even before filming that be was phobic about horses; the horses in turn seemed unwilling to do what he wanted. Assistant wranglers had to catch Sheen, whose horse was running away with him. After that, be refused to repeat the scene, forcing Herek to use a stunt double.

"The Three Musketeers" was Herek's first experience with horses, and he found it both amusing and frustrating. The movie's Spanish mounts, which the director had een told were the finest, turned out to be too smart for their own good. They began galloping every time Herek yelled "Ac-tion!" Eventually, he had to substitute a word like "banana!" or use a hand gesture.

"Our biggest problem wasn't getting them to move." he says, "but getting them

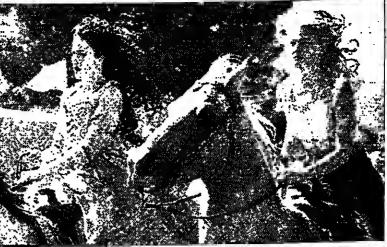
The Musketeers spent days honing their horsemanship, but Ugland says neither Jack Nicholson nor Marlon Brando put in many hours on horseback preparing for a ilm he worked on nearly 20 years ago, The Missouri Breaks." Instead, he said, when the time came they simply acted like

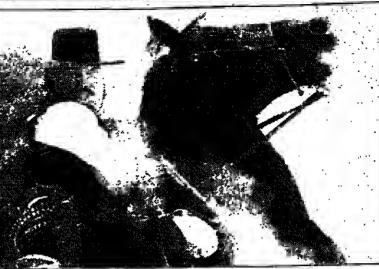
By contrast, "Jason Patric came out here every day for two months" and practiced on a quiet horse. Ugland says. "Rid-ing is balance and rhythm. He's a good

athlete, so he learned quickly."

Seeing that Patric had mastered his first horse. Ugland suggested one with more spirit and intelligence, a 6-year-old named Whiskey, "He's not one of my easier horses, but he's always alert, real responsive. Jason liked the looks of him and wanted to ride him in the movie."

Ugland eventually showed Patric how to make Whiskey collapse to the ground, a trick he'd only recently taught the horse,





Andie MacDowell, left, and Drew Barrymore in a scene from "Bad Girls," and Kurt Russell in "Tombstone" — there will be a bonanza of westerns in 1994.

When Patric performed the maneuver for to prove it — to an English representative the director, the script was altered to in-

clude the scene. It takes months to teach a horse to drop down, Ugland says. The process begins with pulling their heads, then making them fall to one knee, then getting them to he down and finally rolling them over. "As long as you don't hurt them, they don't mind," he said. The horse responds to a signal - a tug on a cable (hidden under the saddle) that is attached to the bridle.

The effect can be startling. In the 1989 film "Old Gringo," Jimmy Smits apparently shoots a horse out from under Gregory Peck. So convinced was the British Society for the Prevention of Cruelty to Animals that the horse had actually been killed that it banned Columbia Pictures

from exhibiting the film in England. Ugland received a frantic call from the studio to confirm that he hadn't, in fact, shot the horse. Then the studio asked him

"She came out with a still camera,".
Ugland recalls. He brought out Twister—
the horse the society thought was dead. "I told her to snap the picture when I gave her the cue — she assured me she was a professional Boom, down went Twister, just like he was shot. She never even pressed the button." Twister lived to star in "Geronimo," too.

In that movie, Robert Duvall appears to take a tumble as Twister goes down, once again the victim of movie gunfire. Duvall's stunt double, Danny Costa, jokes that when the director yelled "Cut," the crew rushed in to insure that Twister had survived; only then did they check on him.

Joel Engel, whose biography of Gene Roddenberry, the creator of "Star-Trek," will be published in the spring, wrote this for The New York Times.

PEOPLE

Broadway to Broke:

Actress Goes on Welfare Melba Moore, the Tony-winning actress and singer, has gone on public assistance in New York City, impoverished, she says, by her city, impovement, sue says, by her manager and former husband of 15 years, Charles Huggins. "I went on public assistance about three weeks ago, to make sure that I could get my back rent of two months paid. said Moore, who lives in a \$1,400. a month apartment in New York with her daughter. "My hushand embezzled all our mainla assets." conservatively \$15 million." One of Huggins's lawyers said Moore and Huggins had agreed to make no comment on the dispute. Moore does not deny that, "but my only recourse is to speak out," she said.

Who's who in 1993: The 81-year. old Abbé Pierre, a priest and leading campaigner for the rights of the homeless, was France's man of the year in 1993, according to an opin-ion poll published Monday in the daily Le Parisien. ... With the pop hit "Jurassic Park" and the pop hit "Jurassic raik" and the saga "Schindler's List," the film director Steven Spielberg was the director Steven Speciarg was me entertainer of the year, according to Entertainment Weekly maga-zine. . At 48, Neil Young could be the father of many rockers, but Spin magazine has named him artist of the year.

Who's who in 1994? Johnny Carson is working with some of his former "Tonight Show" writers to develop a prime-time special (ea-turing Johnny and the Mighty Car) son Art Players, according to TV Guide, which quotes former side-kick Ed McMahon as saying, Johnny will be back in 1994."

Brighte Bardot is upset that a hotel in Tahiti plans to fill an aquazium with dolphins, but the French government says it can't do anything about it. Bardot, who now runs a foundation in her name to defend animal rights, asked Michel Barnier, the environment minister, to prohibit the capture of the dolphins. But mainland French laws on animal protection do not apply to overseas territories.

INTERNATIONAL L CLASSIFIED Appears on Page 6

WEATHER

Forecast for Wednesday through Friday, as provided by Accu-Weather.



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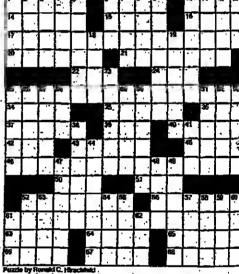
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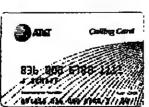
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. New York Times Edited by Will Shortz.

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